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## South Africans Confront Bloody Past New Democracy's Courts Take Hard Look at Murder Spree

By Bill Keller  
New York Times Service

JOHANNESBURG — In February 1991, a human rights lawyer named Bheki Mlangeni received a package containing a tape player and a cassette marked "Evidence of hit squads."

Curious, he put on the headphones and pushed the play button. Explosives hidden in the earpieces blew his head open.

This was not the heyday of apartheid. It was a full year after South Africa had renounced white rule, legalized the political opposition, and invited men like Mr. Mlangeni to collaborate on inventing a new country.

Yet, according to prosecutors, Mr. Mlangeni was the victim of an elite police unit created and maintained by the same state that was negotiating a new order.

In what is to be the new democracy's first hard look at its recent past, a Pretoria court on Monday began the trial of Colonel Eugene Alexander de Kock, who presided over a notorious police unit commonly called Vlakplaas, after the grassy, 40-hectare (100-acre) farm that was its base.

At Vlakplaas, the prosecutors argue, what began as the white man's war to

preserve his status in Africa decayed into a monstrous spree of murder, mayhem, and sabotage, continuing long past the twilight of white rule, and still haunting the conscience, and the politics, of South Africa.

The 121 charges filed against Colonel de Kock so far include the 10 best-documented killings among many attributed to the Vlakplaas unit, some of them masterpieces of the macabre like the assassination of Bheki Mlangeni. He has pleaded not guilty to all the charges.

One of the unit's trademarks, prosecutors say, was to fold a man over a wad of explosives, then bind him with ropes into a round package they called a "Buddha." The detonation demolished both victim and evidence.

Alongside the grand guignol are numerous seemingly mundane charges of theft and fraud. These accounts of ordinary greed, and the records of Colonel de Kock's ample Swiss bank account, are intended to deflate the rightist fancy that he was waging a holy war.

Coming at a time when South Africans are fiercely debating the mechanics of a "truth commission" that would confer forgiveness on those who disclose the evils of the past, the trial promises to be a preview of unsettling and divisive disclosures yet to come.

The ultimate suspense of the trial, of course, is whether the defendant, who has pleaded not guilty to all charges, will turn on his former masters, possibly implicating high officials in the new government of national unity.

"The ideal situation is if he tells us where he got his orders from," a government lawyer said.

"If de Kock admits these things and then he says, 'Let me show you the instructions I received. Let me play you some tape recordings. Let me tell you how these things were approved on the highest level.' Well, you have the potential to put the cat among the pigeons."

To the prosecutors, however, the trial is less about truth than about consequences: a reminder that while South Africa is bent on reconciliation, justice has not been abandoned.

The police unit called Vlakplaas was based in a trim brick and stucco farmhouse on the outskirts of Pretoria.

Today the farm, surrounded by a wire-mesh fence and patrolled by a lone ostrich, is a training center for a policeman who pursues wildlife poachers.

Many of the Vlakplaas operatives, including Colonel de Kock, trained as coun-

See TRIAL, Page 6

## Rivals and Allies Circle the Info-Highway

By Tom Buerkle  
International Herald Tribune

BRUSSELS — The United States, Europe and Japan have agreed to paper over their differences on the information superhighway in an effort to prevent a ministerial meeting here this weekend from degenerating into a fresh battle over cultural imperialism, officials said Monday.

Senior officials from the Group of Seven leading industrial nations have reached broad agreement on eight basic principles for building the superhighway, including open access to national communications networks, promoting competition among hardware and software providers, and encouraging private investment, officials said.

But the general principles mask significant differences over the details on issues such as competition, intellectual-property rights and cultural diversity, areas that American officials fear could be used to

blunt efforts by U.S. computer, software and entertainment companies to dominate the multimedia industry.

For example, the current draft of principles calls for competition to be "fair," hinting at European fears that the superhighway will accelerate the globalization of American mass culture, while the United States has pushed for a different wording: "free and open."

"We see 'fair' as a means of hamstringing us," said one U.S. official, who spoke on condition of anonymity.

Still, U.S. and EU officials expressed satisfaction with the level of agreement so far. They predicted more harmony than discord at the meeting, which is to take place Saturday and Sunday.

The principles will be cast in general terms and will be issued not as official conclusions of the seven nations — the United States, Japan, Germany, France, Britain, Italy and Canada — but rather as the conclusions of the conference chair-

man, Jacques Santer, president of the European Commission.

The fact that the G-7 are tackling the demands of the information superhighway together is "an achievement, not in any way a disappointment," said Greg Simon, domestic policy adviser to Vice President Al Gore of the United States. Mr. Gore will speak at the meeting Saturday.

In particular, Mr. Simon welcomed the European Union's recent shift away from any tightening of quotas on television programming, or the extension of such quotas to new multimedia technologies. "All of the issues have been moving in a positive direction," he said.

"There is a strong agreement on both sides that it's not a negotiating exercise" over culture, a commission official said. "The objective is to try to contribute positively to the whole subject" of information technology.

Officials said one of the principles will

See HIGHWAY, Page 6

## Wiretap Order in Scandal Case Hurts Balladur's Presidential Bid

By Craig R. Whitney  
New York Times Service

PARIS — The campaign of the front-runner in this spring's French presidential election, Prime Minister Edouard Balladur, suffered a heavy blow Monday when a wiretap order he had given in one of the many corruption cases plaguing his party blew up in his face.

Mr. Balladur had vigorously defended the wiretap order in a television program Sunday night. On Monday, when rival candidates and legal experts contended that Mr. Balladur had clearly exceeded his constitutional authority, his office backtracked and said that

the police had concealed essential facts from him when they requested the order.

Placed in an impossible position, the head of the judiciary police, Jacques Franquet, resigned in embarrassment Monday night. His boss, Interior Minister Charles Pasqua, Mr. Balladur's biggest political supporter up to now, cut short a campaign trip to Marseille and rushed back to Paris.

"I understand very well that petty happenings are much more interesting than grand plans," Mr. Pasqua said. "I have no intention of saying anything more."

French political observers speculated that Mr. Pasqua's own job was no longer safe, and that the affair

had driven a wedge between the 65-year-old prime minister and the man who hopes to succeed him if Mr. Balladur wins next spring.

Public opinion polls show Mr. Balladur's lead over the Socialist candidate, Lionel Jospin, narrowing in the first round of the two-stage election, on April 23, although until now they have been predicting that Mr. Balladur would still win in the expected second round on May 7.

But his opponents and their supporters made the most of the prime minister's embarrassment Monday night. "This is a serious affair," said Foreign Minister

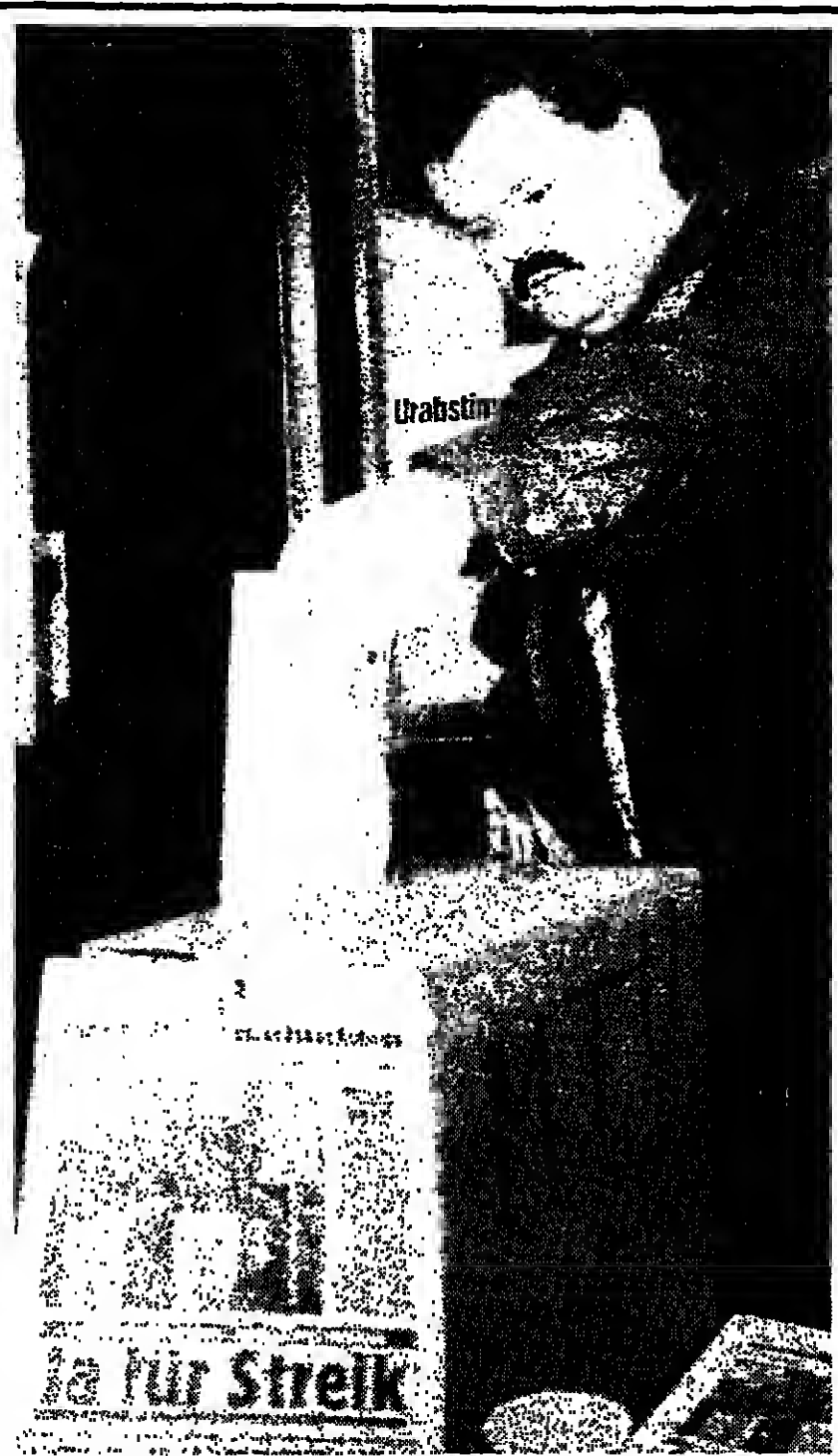
Alain Juppé, who supports Mr. Balladur's conservative rival, Mayor Jacques Chirac of Paris.

The wiretapping was revealed only last week by Le Point, a news magazine, and Mr. Balladur had not admitted until Sunday night that he had authorized it.

The case involved the father-in-law of Judge Eric Halphen, who has been aggressively pursuing multiple investigations into the finances of the government Rally for the Republic party, to which both Mr. Balladur and Mr. Chirac belong.

The judge's father-in-law, Jean-Pierre Maréchal, is a psychiatrist and sex therapist. In December, he

See FRANCE, Page 6



### German Metalworkers Go to Ballot Box

A metalworker voting Monday in Munich on strike action over a 6 percent raise request. The poster shows a headline urging the 165,000 workers at 628 companies in Bavaria to vote for the strike, which is expected to start on Friday if workers approve the action. It would be the first major industrial strike in 11 years. Page 13.

## Mexico Lifts Interest Rates To Lure Back Its Investors

Central Bank Hopes 10-Point Rise Will Help To Stabilize Markets

Compiled by Our Staff From Dispatches

MEXICO CITY — The Bank of Mexico increased short-term interest rates by 10 percentage points Monday to try to lure back capital and to strengthen the national currency, a bank spokesman said.

By raising those rates, the central bank can expect "a greater supply of dollars on the exchange market, which will help bring the exchange rate down," a source said. Mexican interest rates were above 40 percent before the increase Monday.

Officials at the central bank declined to provide their target for interest rates. But in the Bank of Mexico secondary market intervention, three-day securities yielded 49.75 percent.

Earlier, Eduardo Turrent, a central bank spokesman, said the central bank would raise the interest rate at which it supplies liquidity to the market.

"This action is a discreet increase in short-term interest rates for a transitory period in order to lure in capital and support the exchange rate," Mr. Turrent said.

The central bank said in a statement, "Seeking to prevent the exchange rate from continuing at the high levels of recent weeks, which adversely affects price increases and the financial situation of those with foreign currency debt, the Bank of Mexico has resolved to adopt a decisive action concerning interest rates conducive to achieving the mentioned goals."

"It is believed that this action will strengthen the exchange rate since it will contribute to the normalization of the flows of international capital."

"With this measure, there is a high probability that soon interest rates will drop substantially in benefit of those with credits in national currency."

The news helped bolster the peso, with the dollar falling to 5,565 pesos from 6,075 pesos on Friday. Meanwhile, the Bolsa index weakened 3.5 percent.

David E. Sanger of The New York Times reported earlier from Washington:

After several days of intense negotiations with top Mexican officials, the United States is preparing to announce details of a plan to bail the country out of a continuing currency crisis, including newly toughened restrictions that will most likely send already high Mexican interest rates soaring.

Details of the plan were still being negotiated Monday. The Treasury Department said negotiations with Mexico, which began late Thursday, were "making good progress." Reuters reported from Washington Monday.

The new conditions, described by Americans and Mexicans familiar with the talks,

See PESO, Page 6

## AGENDA

### Ulster Peace Plan Is Set for Release

LONDON (AFP) — Prime Ministers John Major of Britain and John Bruton of Ireland are to formally launch their "framework document" on the future of Northern Ireland on Wednesday, sources here and in Dublin said Monday.

They said Mr. Major and Mr. Bruton would jointly release the document — the product of talks lasting nearly 14 months — in Belfast. Mr. Major's office said he had called a special cabinet meeting for Tuesday to take final action on the document.

Irish sources said Mr. Bruton would convene a similar meeting of his cabinet in Dublin. The meetings were expected to formally approve the framework document, which is designed to pave the way

for full, all-party political talks on the future of the British-administered province, the sources said.

Sources said the final details of the document had been worked out by Irish and British officials before and after the weekend meeting between Britain's Northern Ireland secretary, Sir Patrick Mayhew, and Foreign Minister Dick Spring of Ireland.

### PAGE TWO

Cambodians in an Alien World

THE AMERICAS Page 3

Republicans in New Hampshire

EUROPE Page 5

Serbia Declines Sanctions Deal

Opinion Page 8 Sports Pages 16, 17

Books Page 11 Crossword Page 17

International Classified Page 4

### To Our Readers

With this week's editions, the International Herald Tribune has transferred its Italian printing site to Bologna and the facilities of Teletampa Nord. The move will ensure early and reliable distribution throughout Italy.



WELL-ARMED — A Somali militiaman patrolling Monday with an anti-tank weapon in Mogadishu. About 3,100 U.S. and Italian Marines are expected to land in early March to protect the retreat of the last 2,500 UN troops.

## Loaded Guns and Diskettes Rebels Win Hearts and Minds on Internet

By Tod Robberson  
Washington Post Service

SAN CRISTOBAL DE LAS CASAS, Mexico — They have waged war on the ground with stick rifles and World War II vintage guns. But in fighting the international propaganda war, the rebels of the Zapatista National Liberation Army have invaded cyberspace.

With help from peace activists and rebel support groups here in southern Chiapas state, the Zapatista message is spreading around the world, literally at lightning speed, thanks to telephone links to the Internet computer network.

Ever since the rebels, most of them peasant Indians, launched their uprising here 13 months ago, Chiapas has become one of the hottest informational topics on the Internet.

Computer linkups enable the Zapatista leader known as Subcommander Marcos to circulate his communiqués worldwide, virtually at the push of a button, via Internet bulletin boards like PasaNet, Chiapas-List, Mexpac and Mexico 94.

A week ago, President Ernesto Zedillo Ponce de León became acquainted with the power at Marcos's fingertips when the president announced a military offensive aimed at capturing the ski-masked Zapatista leader and bringing the rebellion to a decisive close.

Within hours, "cyber-peaceniks" and human rights activists here and elsewhere in Mexico had distributed the president's words verbatim via the Internet, along with a call for "urgent action" to press Mr. Zedillo into reversing course.

Included in their computer messages was the direct fax number to Mr. Zedillo's office, as well as the fax line to Interior Minister Esteban Moctezuma.

"I don't know how effective the campaign was, but I do know that Zedillo's fax machine broke or was eventually turned off," said Marielaire Acosta, president of the Mexican Commission for the Defense and Promotion of Human Rights. She estimated hundreds of faxes were sent to the president, who eventually changed tack and ordered his troops to halt their advance.

The Chiapas rebels are only the latest group embroiled in conflict or afflicted by disaster to use the Internet to disseminate information and opinion around the globe — and, given the huge volume, apparently the most successful in mobilizing international support.

Peru and Ecuador have used the computer network in their border dispute. Warring factions in Bosnia, separatists in Chechnya and relief organizations in quake-stricken Kobe, Japan, all circulated reports on the Internet, some of which reached news organizations.

"The Internet is the best vehicle we have to spread information around," Ms. Acosta explained.

"Before, we used faxes and telephones, and it took forever. Now the information arrives like this," she said, snapping her fingers. "The feedback is instantaneous."

It is unclear whether Marcos, recently identified by the government as Rafael

See STORIES, Page 6

See NET, Page 6

## In the Old Souks of the Middle East, Storytellers Sing a Dying Song

By Nora Boustany  
Washington Post Service

DAMASCUS — Old and young men listened wide-eyed, their imaginations cap-

tive to the intonations and revelations of Salah Hallak, known in the souk life of Damascus as Abu Shadi, one of Syria's last remaining popular storytellers.

He adjusted his red fez and cracked his sword against a brass table for attention. His listeners sat up in surprise, some spilling their coffee. The story had reached its climax.

"Save Abla for us," the men shouted wildly, in a plea to hasten the release of the Juliet of pre-Islamic times when she fell into captivity.

The roars of sympathy for Abla did not last, and soon the audience split into rival factions — one cheering for Antar Ben Shaddad, the courageous slave whom she loves, and the other for Amara Ben Ziad,

the nobleman competing for her affection. Two blind men in dark glasses and tweeds smashed their sticks against the cold tiles in excitement.

In Syria's traditionally paternalistic society, the epics passed down from grandfather to father to son still have mass appeal. Never mind that the kerosene lanterns hanging from the domed ceilings are rusty and that photographs of President Hafez Assad are tacked to chipped walls.

This is a world far from the sterility of politics in Syria, a universe of chivalry and heroism.

But the storytellers, or *hakeewis*, once popular in the squares and street cafés of the major cities of the Mediterranean basin — from Marrakesh to Cairo, Beirut to

Damascus — are dying out since the introduction of radios in coffeehouses and the elimination of the old souks, or market-places.

Today, there is only one surviving storyteller in Tripoli in northern Lebanon and two besides Abu Shadi in Syria.

The popular Egyptian singer Mithqal, who traveled with his storyteller father from town to town, claimed in an interview two years ago that Egyptian authorities discouraged the profession. Fistfights broke out too often when listeners split into factions over the outcome of a story.

"Some storytellers would raise the stakes so more money would be thrown at them," Mithqal said.

"I have a feeling it is going to come

back," said Nidhal Achkar, a Lebanese actress and theater manager. "There is no street life anymore, but people want to relate to their memories and to their inner self. It is part of our heritage, and we need it because everything is destroyed."

She is trying to revive the practice in her City Theater in Beirut.

In Damascus, when the clamor of street vendors, haggling housewives and crazed beggars roaming the narrow Hamidiye souks dies down at dusk, darkness enfolds the alley behind the Omayyad mosque, ancient site of the Church of John the Baptist.

After iftar, the festive evening meal end-







## THE AMERICAS



Mr. Dole greeting some of his backers at a Republican fund-raising dinner in New Hampshire as Mr. Gramm looks on.

## Republicans Set Off On Campaign Trail In New Hampshire, Jockeying Begins Over the Issues of '96

By Dan Balz  
Washington Post Service

MANCHESTER, New Hampshire — A slew of presidential candidates has descended on New Hampshire, kicking off the 1996 battle for the Republican nomination and beginning their skirmishes over issues from abortion and states rights to affirmative action and the size of government.

The New Hampshire primary — the nation's first — will not be held until Feb. 20, 1996, but anyone who accidentally wandered into the center of Manchester on Sunday would have guessed it was only a few days away. There were candidates and cameras everywhere.

The magnet was a New Hampshire Republican Party fund-raising dinner, which gave the candidates what little excuse they needed to make a weekend party out of the event.

Steve Duprey, the chairman of the New Hampshire Republican Party, surveyed a horde of reporters who were watching the candidates tape a televised forum. "It usually starts about now," he said of presidential campaigning, "but the level of organizing and intensity is way ahead of what it's been."

The Senate majority leader, Bob Dole of Kansas, spent the holiday weekend attending town meetings. A poll by The Boston Globe showed Mr. Dole with a big lead over all his rivals, with a noncandidate, General Colin L. Powell, former chairman of the Joint Chiefs of Staff, running second.

Senator Phil Gramm of Texas, who will be the first to announce his candidacy formally, on Friday, did not fly in until Sunday, but he tried to make a splash by announcing when he arrived that one of New Hampshire's Republican senators, Robert C. Smith, had endorsed him.

Also here for the dinner and a forum hosted by WMUR-TV in Manchester were former Tennessee Governor Lamar Alexander, Senator Richard G. Lugar of Indiana, Senator Arlen Specter of Pennsylvania, the conservative commentator Patrick J. Buchanan, Representative Robert K. Dornan of California, former Labor Secretary Lynn Martin and Alan Keyes, who wants to become the first

black Republican to run for the presidency.

The candidates carried on a running debate throughout the day, on talk shows, in the afternoon forum and at a dinner. And while they agreed on issues like reducing government and the deficit, they clashed over how significant abortion should be in the coming nomination fight.

Mr. Dole, Mr. Gramm and Mr. Alexander said that while they favored restrictions on abortion, they did not want the party to become embroiled in a divisive debate. They rejected a call by the leader of the Christian Coalition, Ralph Reed, that a candidate choose a running mate who opposes abortion.

"I don't think there should be a litmus test — whether pro-choice or pro-life," Mr. Dole said.

Mr. Specter went further, arguing that the party should jettison its anti-abortion platform plank. "I want to make abortion irrelevant," he said.

"You've got to take it off the table."

But Mr. Buchanan and Mr. Dornan argued that abortion was a central issue for the party and said they would fight efforts to dilute the platform plank.

On economic issues, Mr. Gramm said on CBS' "Face the Nation" that he would make balancing the budget his top priority and added this pledge: "I will not run for reelection unless I get the job done."

But Mr. Buchanan said that balancing budgets was not as important as dealing with the country's moral decline. "There is still this moral crisis in America, still a cultural war being waged," he said.

Mr. Dole said he was considering pledging to serve only one term if elected, but said it had nothing to do with the fact that he would be 73 when he was sworn in.

"If we decided to serve one term, it would be sort of get in, get it done and get out," the senator said. "I don't see this Week With David Brinkley."

"I mean, on the theory the American people want somebody with no special interests going in and do it in four years and then get out and move on to something else."

## POLITICAL NOTES

### Clinton Endorses Republican Idea

WASHINGTON — President Bill Clinton said in an interview broadcast Monday that the Republican congressional agenda was "not all bad," and that he would work with leaders of the opposition party whenever he could.

Mr. Clinton also said Dr. Henry Foster's nomination to be the surgeon general was not dead despite the storm of controversy over the Tennessee obstetrician's involvement in abortion procedures and the skittishness of some Democratic senators because of it.

Mr. Clinton said he wholeheartedly supported the first achievement of the new Republican Congress — a bill that makes Congress obey the same laws that apply to others — and said he could envision many other areas of cooperation. (Reuters)

### Examining Gingrich College Class

ATLANTA — The letter delivered to 1,000 college Republican chapters in May 1993 did not sound like a promotion for a typical academic course.

It began by noting with approval "the recent tribulations of the Clinton administration," talked about the need for conservatives to define a future that would capture the imagination and votes of the American people and then said, "In that context, I am going to devote much of the next four years, starting this fall, to teaching a course entitled 'Renewing American Civilization.'"

The letter, signed by Representative Newt Gingrich, Republican of Georgia, and sent out by his political action committee, GOPAC, went on to say: "Let me be clear. This is not about politics as such. But I believe the ground we will cover is essential for anyone who hopes to be involved in politics over the next several decades to understand."

Such fine distinctions are at the heart of a complaint before the House Ethics Committee and other questions involving the class Mr. Gingrich now teaches each Saturday at Reinhardt College in Waleska, Georgia. (NYT)

### Taking Aim at Medical Research

WASHINGTON — Few agencies have ever enjoyed stronger bipartisan support than the National Institutes of Health. Congress has lavished billions of tax dollars on the government's biomedical research enterprise. And until now, the main question was how best to spend more money.

But that has abruptly changed. The health agency is receiving skeptical scrutiny from Republican members of the House determined to cut the federal budget deficit. This change is most evident in the House Appropriations subcommittee that earmarks money for the institutes, \$11.3 billion this year.

Alan G. Kraut, executive director of the American Psychological Society, who represents research psychologists, was taken aback when he was asked by Representative Jay Dickey, Republican of Arkansas: "Do you understand that this government is insolvent?" (NYT)

### Quote/Unquote

Senator Phil Gramm, Republican of Texas, who on Friday is to announce his candidacy for the 1996 Republican presidential nomination: "I believe if you look at my record and measure my commitment, you're going to conclude that, of all the people running for president in 1996, I am the most committed to changing American government." (WP)

### Away From Politics

● Having won a close and contentious fight for the chairmanship of the National Association for the Advancement of Colored People, Myrlie Evers-Williams, 61, struck a conciliatory tone at a board meeting of the 86-year-old civil rights group in New York. The widow of Medgar Evers, the slain civil rights leader, said the board believed the NAACP was "more important than one person or personalities." (NYT)

● The stepfather of the woman accused of drowning her two young sons in South Carolina, admitted seven years ago that he molested her, according to unsealed court records. Beverly Russell admitted fondling Susan Smith's breasts, kissing her and putting her hand on his genitals when she was 16. Mrs. Smith, now 23, faces murder charges in the Oct. 25 deaths of her sons, Michael, 3, and Alex, 14 months. (AP)

● Three earthquakes struck Southern California within hours, but there were no reports of damage or injuries. A temblor struck at 1:24 P.M. measuring 4.3 on the Richter scale and centered in the Santa Monica Mountains, about 7 miles (11 kilometers) northwest of Malibu. It was followed 90 minutes later by a 3.7-magnitude aftershock. Earlier, a 3.4-magnitude quake struck near Big Bear Lake in the San Bernardino Mountains east of Los Angeles. (AP)

● A Philadelphia woman who sobbed uncontrollably at the funeral of four of her children in December was charged with murdering them and two other girls in an arson fire. Tracey Shaw, 26, was arrested and held without bail. (AP)

## Speedy House Bills Idle in Slow Senate

By Kenneth J. Cooper  
and Helen Dewar  
Washington Post Service

WASHINGTON — Midway through its first 100 days, the new Republican majority in the House has approved the easier half of the "Contract With America" with dispatch and discipline. But the Republican initiatives have begun to pile up in a slower and more skeptical Senate.

Holding to an intense, five-day schedule that has some lawmakers complaining of exhaustion, House Republicans have attracted straying Democrats so often that nearly every Republican bill passed with at least two-thirds support. "We're approximately halfway done by the 50th day," which falls on Wednesday, boasted the House majority leader, Dick Armey of Texas. House Republicans had promised to bring all measures in their contract to a vote within 100 days.

But while the House has approved six items in the contract, the Senate has acted on only two. Senators from both parties warn that major initiatives are bound to face more trouble in the Senate than they did in the House.

In both chambers, the real tests are likely to come over bigger issues, including how far Congress will go in cutting taxes and re-vamping welfare. Prospects for term limits for members of Congress remain bleak.

House Republicans, as if making up for time lost during 40 years as a minority, have churned out a constitutional amendment to require balanced federal budgets, a line-item veto bill expanding

presidential powers to control spending, a mechanism to discourage unfunded mandates on states, a package of six crime bills and a military bill to restrict U.S. participation in UN peacekeeping operations.

President Bill Clinton has already signed legislation that will require Congress to comply with labor and civil rights laws.

"We've got something to crow about," said Representative Roger Wicker of Mississippi, president of the large freshman class that put Republicans in charge.

The Republican contract has raised conservatives' expectations that the agenda it outlines will indeed be enacted. But House Republicans face two obstacles: a Republican-controlled but slower Senate and a Democratic president who has so far threatened to veto the military bill and a major part of the crime package.

Only the unfunded mandates and civil rights bills have made it out of the Senate. With its looser rules and deeper division on the issue, the Senate will have spent a whole month debating a balanced budget amendment that the House approved in two days.

While Senate Republicans have stuck together so far, upcoming issues could peel off moderates, who hold the balance of power.

"In the House, I think there's a feeling it's more important to stick by their promises than make deals," said Senator John H. Chafee of Rhode Island, a leading moderate. "In the Senate, I think the feeling is, 'Let's take it slow.'"

The outcome of the Senate's Feb. 28 vote on the balanced budget amendment remains unpredictable. Uncertainty also faces line-item veto legislation, with Republicans divided over two competing versions, and a House crime package that the Judiciary Committee has yet to consider.

No one has filed a Senate version of the House military bill, but the Senate majority leader, Bob Dole of Kansas, does favor similar restrictions on peacekeeping operations.

"Our biggest problem is time," said the Senate majority whip, Trent Lott of Mississippi. "We are committed to bring up in some form all or nearly all of whatever they pass."

To get this far, House Republicans have sacrificed a few cherished contract provisions.

The House speaker, Newt Gingrich of Georgia, has played down those and other revisions in the contract, saying it was never "written in stone." One contract opponent, Representative Barney Frank of Massachusetts, has billed the campaign platform "the most changeable contract I've ever seen."

The House returns this week to consider curbs on government regulations. Then follows what Mr. Gingrich has predicted will be an all-out battle between trial lawyers and corporate interests over curbs on civil lawsuits.

The House plans to wrap up the second 50 days with action on congressional term limits, welfare changes and assorted tax cuts, coupled with spending cuts to pay for them.

## Fighting Flares Up On Border In Amazon

Reuters

LIMA — Peruvian and Ecuadorian troops were clashing in a disputed border area in the Amazon jungle despite a cease-fire and peace agreement, military officials said Monday.

Machine-gun and mortar fire echoed down the Upper Cenepa River valley in what appeared to be renewed fighting in the Tinizanga area, Peruvian officials told journalists who traveled to the border zone.

"They are infiltrating troops and they are entering with helicopters," said Colonel Roberto Chibarra, head of the PV-1 border post tucked in a clearing in the rugged mountainous terrain of the Cordillera del Condor.

Air and artillery attacks stopped shortly after a cease-fire took effect last Tuesday, but officials said ground fighting continued in the Tinizanga area, about 8 kilometers (5 miles) northeast of PV-1 border post, which Peru said was the last Ecuadorian outpost to fall before the cease-fire.

There were no reports of casualties from the latest fighting. Fighting broke out on Jan. 26 along a 76-kilometer stretch of the Peru-Ecuador border yet to be marked.

Under a cease-fire accord signed by Peru and Ecuador on Friday, Peruvian forces will withdraw to PV-1, while Ecuadorian forces will concentrate in Coangos, Ecuador, just 2 kilometers from the fighting.

## U.S. Business Finds the Work Force Isn't Working

By Peter Applebome  
New York Times Service

NEW YORK — Employers say one-fifth of American workers are not fully proficient in their jobs, and they express a lack of confidence in the ability of schools and colleges to prepare young people for the workplace, according to the first national survey ever done by the Census Bureau of hiring, training and management practices in American business.

Researchers say the study, which was produced for the federal Department of Education, illustrates an alarming divide between the schools and the workplace even as national education and labor policy calls for closer cooperation, both to improve the skills of the nation's work force and to smooth the transition from school to work.

The study found that in hiring employers tended to disregard grades and school evaluations and rely more on the applicant's attitude, behavior and job experience.

Many employers reported that they no longer hired students straight out of school and put them into career-track jobs. And in training employees, they were far more likely to seek out equipment suppliers or private consultants than educational institutions.

On a broader level, the survey found businesses less likely than experts had expected to use innovative management practices like job rotation, self-managed teams and consistent monitoring of potential problems in the workplace.

Joan Willis, who specializes in work force issues at the Institute for Educational Leadership, a private, nonprofit re-

search organization, said, "If indeed it is true, as many argue, that the organization of the workplace and the quality of the work force is going to be the central factor in keeping us competitive, there's not much evidence here that we're utilizing the best practices."

Schools, of course, serve a broader educational purpose

**'If you see that 20 to 25 percent of your workers are not fully proficient, that has to drive you crazy.'**

Professor Lisa M. Lynch

than just training workers. But experts say the survey findings, particularly the degree to which they indicate that employers are divorcing themselves from the schools, are in stark contrast to nations like Japan, where employers and schools have common goals and strategies.

"What's really scary is that you have the education folks and the employment folks, the supply side and the demand side, and they don't understand each other's language," said Neveer Stacey, who studies education in the work force for the Education Department's Office of Educational Research and Improvement. "Employers have given up on the schools, and by giving up, they've lost their ability to influence them."

The survey, developed by the National Center on the Educational Quality of the Work

Force at the University of Pennsylvania, was conducted in August and September and was issued on Monday.

It was based on the responses of plant managers or site managers at 3,000 locations nationwide with more than 20 workers, including offices, factories and construction sites.

Most alarming to researchers was the skepticism that employers expressed about young, new workers.

"We were surprised at just how much animosity there is toward young people in the employer community," said Robert Zemsky, director of the Institute for Research on Higher Education at the University of Pennsylvania.

"In the focus groups the response was almost scatalogical," Mr. Zemsky said. "It's not clear how much this really had to do with young people and how much it's just something in the culture now that young people get dumped upon. The trouble is if you dump on young people long enough, it becomes a self-fulfilling prophecy."

On March 8th, the IHT will publish a Special Report on

## COMPUTERS AND COMMUNICATIONS

Among the topics to be covered are:

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- Shopping on-line.
- The reality of virtual reality technology.
- The market for wireless communications.
- The upswing of IT spending in Europe.

This worldwide Special Report will benefit from special distribution at CEBIT in Hannover, March 8-13.

For more information, please contact Bill Mahler in Paris at (33-1) 46 37 83 78 or fax (33-1) 46 37 50 44.

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## ASIA

## Fearing Post-Deng Anarchy, Party Acts Against Crime

Compiled by Our Staff From Dispatches  
BEIJING — Worried about a rising crime wave, China is trying to put pressure on local officials to curb law-breaking, newspapers reported Monday.

Analysts say the crackdown stems from a feared weakening of law and order that could threaten the Communist Party after the death of the country's paramount leader, Deng Xiaoping, who is in his 90s.

The party's Central Committee for Comprehensive Management of Social Security has ordered penalties for local officials to try to force them to take responsibility for curbing soaring crime, the newspapers said.

The Xinhua news agency said the committee issued a resolution saying that the fight will focus on "ruffians and other evil forces in rural areas and culprits of serious criminal cases in urban areas."

The committee decided at a recent meeting in Beijing that officials who perform well in strengthening security in rural areas will be promoted, and those who do not will be punished, reports said. The punishments were not specified.

Crime, greatly reduced after the Communists came to power in 1949, has returned in recent years, springing up along with a more open economic system.

While mild by Western standards, crime is on the rise. Major crimes in China jumped 15.6 percent in 1994 to 624,000 cases from 1993, with the police.

## The Communists have declared war on 'ruffians and other evil forces.'

lice seizing 15,000 illegal firearms, according to official figures.

Executions and heavy prison terms have apparently failed to have any effect.

The committee declared that the increase of crime in the countryside is a

result of the weakness of grass-roots organizations. The panel called on militia and neighborhood committees to play a greater role in maintaining order.

Warlords, bandits and feuding clans are running rampant in the countryside, the reports said, with widespread murder, rape, vandalism, prostitution and abductions of women and children.

Local strongmen take advantage of the erosion of the authority of local officials to become regional warlords, prospering to such an extent that they become directors of underworld gangs, local news organizations have reported.

In addition, reports said, the resolution called on officials to monitor migrant workers more closely and ensure security in state-owned enterprises and railroads.

About 25 million rural residents have abandoned their fields and traveled to cities in search of higher-paying jobs, despite official efforts to deter them.

Analysts said the committee's resolution stems from fears that rampant crime and gangs could threaten the Communists' hold on power in the post-Deng era.

"The people are disgruntled with the surging crime," an analyst said. (AFP, Reuters)

## Asia Chiefs Ring Alarm On Global Warming

Agence France-Presse

MANILA — Asian and Pacific nations declared Monday that global warming could result in flooding that would devastate them, and they urged developed countries to reduce gas emissions by 20 percent by 2005.

The declaration, supported by more than 100 delegates from 29 countries after a three-day meeting here, warned that global warming could destroy the economy, culture and communities of the region's island states and coastal nations.

Ata Qureshi, vice president of the Climate Institute in Washington, told the Asia-Pacific Leaders Conference on Climate Change that even a one-meter (3.3-foot) increase in water levels would inundate some islands.

That would have serious "implications for fisheries and economics, considering the population on an atoll is much more than the per-square density in Bangladesh," considered a populous country, he said.

Developed countries were "primarily responsible" for the increased concentrations of greenhouse gases, the declaration said, which urged that those countries take the lead in reducing emissions by, among other things, developing alternative, less-polluting sources of energy.

Prime Minister Benazir Bhutto of Pakistan said at the opening of the conference that "it would only be fair that those who have primarily polluted the environment take on a major responsibility for cleaning it up."

The conference urged developed countries to reduce the 1990 levels of carbon dioxide emissions by 20 percent by 2005. Some scientists believe that carbon dioxide emissions are contributing to the destruction of the ozone layer, trapping Earth's heat in the atmosphere and causing the polar ice caps to melt. That would lead to higher ocean levels and severe coastal flooding, the scientists say.

Maurice Strong, chairman of the Earth Council, said in a statement that the industrialized world spews up to 23 billion tons of carbon dioxide into the atmosphere each year, up from 16 billion tons in 1972.

Mr. Qureshi of the Climate Institute warned that "it may be 100 times more expensive" to stop the effects of greenhouse gases if nations failed to act on the problem immediately.

He said that "if business as usual continues," carbon dioxide emissions would double by 2070.

The declaration also touched on concerns that any future environmental and trade measures may be used by industrialized countries to pressure developing nations into adopting policies detrimental to their economic growth.

President Fidel V. Ramos of the Philippines told the conference: "It would be a terrible irony if the resulting agreement would freeze the Third World in a state of underdevelopment."

## Manila and Beijing Discuss China's Spratly Reef Claim

Agence France-Presse

MANILA — Foreign Secretary Roberto Romulo said Monday that the Philippines was talking with China over Beijing's seizure of a reef claimed by the Philippines in the Spratly Islands in the South China Sea.

"We are already talking to China in both formal and informal levels," Mr. Romulo said. "It is important that our dialogue continue. Whether we have a meeting of minds, that is a different issue."

"We will be looking for a meaningful dialogue and we will work into that dialogue in the spirit of good faith and with

the best of intentions," he said, adding that "we must exercise self-restraint."

Manila has sent a protest to Beijing after it announced this month that China had built a structure and had sent warships to Mischief Reef, one of the areas claimed by the Philippines in the chain, which is thought to hold oil deposits.

China has yet to make public any formal reply, and President Fidel V. Ramos has sent additional troops to the Philippine garrison in the islands.

Aside from the Philippines and China, the Spratlys are wholly or partly claimed by Brunei, Malaysia, Vietnam and Taiwan.

## BRIEFLY ASIA

## North Koreans Test New Missiles, Defense Minister in South Asserts

SEOUL — North Korea has test-fired new missiles with an estimated range of more than 1,500 kilometers (900 miles), Defense Minister Lee Yang Ho of South Korea said Monday.

Since last October, North Korea has also completed the advance deployment of new 240mm multiple rocket launchers and other sophisticated weapons along the border with South Korea, Mr. Lee said.

"The North's military buildup has been stepped up despite chronic economic difficulties," Mr. Lee said after briefing President Kim Young Sam on North Korea's recent military movements. The new multiple rocket launchers are powerful enough to destroy the South Korean capital, Mr. Lee said.

He did not disclose further details, but ministry officials said the North's new missiles were test-fired before the end of last year after the successful deployment of smaller, medium-range missiles. (AFP)



Muslim women lining up to vote Monday in legislative elections in the western Indian city of Ahmedabad.

## Bomb Wounds 4 as Indians Vote

AHMEDABAD, India — Indians voted Monday in the first round of elections in the rapidly industrializing western state of Gujarat amid reports of scattered violence and predictions of a swing toward the opposition.

A bomb went off in a village on the outskirts of the state's commercial capital, Ahmedabad, on Monday morning, wounding four people, but the police said they were still checking whether the violence was related to the election. The police used batons to disperse a group of about 400 workers from the rightist opposition Bharatiya Janata Party who tried to take over a polling booth in an Ahmedabad school.

The elections in Gujarat, along with those held earlier this month in Maharashtra state, are seen as crucial to the future of Prime Minister P.V. Narasimha Rao's reformist government. (Reuters)

## Pakistanis Mob Teen's Hearing

ISLAMABAD, Pakistan — Police formed a human chain Monday around the Lahore High Court to restrain hundreds of Muslim extremists protesting an appeal hearing for a Christian teenager sentenced to hang for insulting Islam.

Salamat Masih, 14, and his uncle, Rehmat Masih, 40, were convicted of writing anti-Islamic slogans on a mosque wall, a crime that carries a mandatory death sentence.

The defense attorney, Hina Jilani, argued in her appeal that prosecutors had failed to provide any evidence that the two ever blasphemed Islam. The slogans were immediately wiped off the mosque, and witnesses refused to repeat them in court, saying they were too offensive. Two judges hearing the appeal adjourned the case until Tuesday. (AP)

## East Timorese Report Tensions

JAKARTA — Continuing tension was reported by East Timorese on Monday after a month of terror by military-linked gangs, with more arrests of gang members reported in the capital but remote villages still terrified of night raids.

Indonesia's official human rights commission ended a visit Sunday to East Timor, where it was investigating allegations of abuses, and will issue its report this week, a team member said Monday.

Residents contacted by telephone in Dili, the East Timor capital, said that while the situation had eased in the last few days, many dissidents and youths were still afraid of being attacked or detained by troops or gangs believed to be linked to the military. (Reuters)

## Russian Official to Visit Japan

TOKYO — Russia's foreign minister, Andrei V. Kozyrev, will visit Japan in early March, the Foreign Ministry said Monday.

During the three-day trip, Mr. Kozyrev is scheduled to meet Japan's foreign minister, Yohei Kono, to discuss "various" issues between the two countries, the ministry added.

Prime Minister Tomichi Murayama has renewed demands for the return of four islands in the Kuril chain off Hokkaido, in northern Japan, held by Russia. The islands were occupied by the Soviet Union after the close of World War II. The visit was initially planned for January; it was postponed over tensions surrounding the conflict in Chechnya. (AFP)

## VOICES From Asia

President Suharto of Indonesia, on efforts to prevent the shrinking of the country's agricultural area as a result of land conversion: "There is a need for putting order into the maximum limit of ownership on agricultural and urban land. Nobody has a legal right to own or control land in an excessive manner." (AFP)

Misao Miyamoto, a Japanese Health Ministry official who has admitted defeat after leading a high-profile battle against the unwieldy and anonymous Japanese decision-making process and says he may now leave the country: "The system is too heavy for me to continue fighting alone." (AFP)

Keat Chhon, Cambodia finance minister, on aid the government is seeking from the International Committee for the Reconstruction of Cambodia: "This year in our budget we just put a figure of \$150 million from international funding, but we need \$540 million for our present needs for 1995. We are realistic: We know that we can mobilize only \$150 million, but we need \$540 million." (Reuters)

Yuchiro Ueda of the international treasury department at Dai-ichi Kangyo Bank as the U.S. dollar touched a three-month low against the Japanese yen: "For three straight years, the dollar has defied the scenario for a rise envisaged at the start of each year. At the root of it all lies the market's lack of confidence in the Clinton administration's problem-solving abilities." (Bloomberg)

## Roving Sex Squads Work to Keep Malaysia's Muslims in Line

Agence France-Presse

KUALA LUMPUR — A sex scandal involving a senior opposition politician has thrown a spotlight on Malaysia's morality squads, whose job is to catch Muslims in illicit affairs.

One of the squads, which regard themselves as upholders of the mainly-Muslim country's morals, detained the deputy youth leader of the opposition Parti Islam Sa-Malaysia (PAS) two weeks ago. The deputy,

Mohammed Sabu, is himself known as a fiery denouncer of loose morals. Officials who answer to the Pusat Islam, the country's religious authority, burst in on Mr. Mohammed, who they say was

in "close proximity" to a woman party member in a hotel room in the PAS-controlled state of Kelantan in the northeast. In the ensuing scandal, PAS officials have accused Prime

Minister Mahathir bin Mohamad's ruling party of a political frame-up. Analysts said the scandal has not only provided ammunition for Mr. Mahathir's party in the campaign for national elections, but also sullied the PAS's image as a champion of Islam.

"I pray that the prosecution settles the problem soon," said Zainal Abidin Abdul Kadir, director-general of Pusat Islam. "It is affecting the image of Islam."

In recent years, Pusat Islam has urged state authorities to step up vigilance on errant couples to fight what it regards as a trend in society toward sexual permissiveness.

State religious councils have set up official squads — like the one that raided Mr. Mohammed's hotel room — which often work on tips from neighbors or jealous husbands and wives.

The squads can detain couples caught kissing in secluded areas and often work with the police to raid homes during investigations.

Under Malaysia's Islamic law, couples can be charged in a religious court for being in "close proximity" even if they were not caught having sex.

"When a man and a woman get together in a secret place, this may lead to illicit sex," Mr. Zainal said, adding that sex outside marriage could "damage the personality" of young people.

In Islam, sex outside marriage is regarded as one of the seven great sins, alongside murder and black magic, Mr. Zainal said.

Muslim officials said they have managed to scare couples into abstinence by stepping up the use of the Pusat Islam patrols.

Last year, 842 couples were detained in the Kuala Lumpur federal territory. In 1993, 1,373 couples were detained.

## INTERNATIONAL CLASSIFIED

<p><b>Today's EDUCATION DIRECTORY</b></p> <p>Appears on Page 9</p>	<p><b>OFFSHORE BANKS</b></p> <p>INSURANCE COMPANIES</p> <p>COMPANIES &amp; TRUSTS</p> <p>ASSET PROTECTION</p> <p>IMMIGRATION/PASSPORTS</p> <p>TRADE - FINANCE</p> <p><b>ASTON CORPORATE TRUSTS LTD</b></p> <p>19 Paul Street, London, E.C. 2A</p> <p>Tel: 01 624 606591</p> <p>Fax: 01 624 606128</p> <p>London Tel: 01 222 8866</p> <p>Fax: 01 222 1319</p>	<p><b>INTERNATIONAL FINANCINGS AND CREDITS</b></p> <p>FUNDS AVAILABLE FOR ALL BUSINESS PROJECTS OR AGAINST BANK GUARANTEES OR OTHER ACCEPTABLE COLLATERAL</p> <p><b>INTERNATIONAL LEASING</b></p> <p>FOR FINANCING OF PURCHASE OF HEAVY INDUSTRIAL EQUIPMENT</p> <p>Broker's commission guaranteed</p> <p>FOR ANY INFORMATION</p> <p><b>ALPACA &amp; Co</b></p> <p>FINANCIAL INSTITUTION</p> <p>Boulevard de la Woluwe 62</p> <p>1200 Brussels, Belgium</p> <p>Tel: 32 2 554 02 77</p> <p>Fax: 32 2 554 02 71</p> <p>TELEX: 20277</p>	<p><b>SERVICED OFFICES</b></p> <p><b>YOUR OFFICE IN PARIS</b></p> 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EUROPE

# Serbia Rejects Sanctions Offer

## It Balks at Demand for Recognition of Bosnia

By Roger Cohen  
New York Times Service

BELGRADE — President Slobodan Milosevic of Serbia has rejected a proposal offering a lifting of trade sanctions on Serbia in exchange for recognition of Bosnia and Croatia, government officials said Monday.

The offer, prepared by Britain, France, Germany, Russia and the United States, always appeared far-fetched: Mr. Milosevic has consistently said that the status of the Serbs holding 70 percent of Bosnia and 30 percent of Croatia must be resolved before recognition of the two countries is possible.

But Western diplomats, seeking to stay out of the conflicts in the former Yugoslavia, are being forced to try even unlikely ideas with the approach of spring and the possibility of a wider conflict.

Mr. Milosevic's rejection was spelled out this weekend to Russia's foreign minister, Andrei V. Kozyrev.

Croatia and then Bosnia gained independence from Yugoslavia in 1991 and 1992.

But the Serbian minorities in the two countries, backed by the Serbian-dominated Yugoslav Army, went to war to protest joining these new states.

"Recognition is almost certainly impossible until the conflicts in Bosnia and Croatia are resolved by the parties there," declared a government official, who spoke on condition of anonymity.

"When sanctions were imposed, they were not linked in any way to recognition. So why should they be now?"

The official was referring to the sanctions imposed by the United Nations Security Council after the Serbian offensive in Bosnia in April 1992.

There was no mention in the resolution that Serbia was obliged to recognize Bosnia and Croatia.

The official news agency of the remaining Yugoslav federation made up of Serbia and Montenegro, said Monday, "Belgrade is categorical: first a lifting of sanctions and then everything else."

What that "everything else" meant and when it might happen was left vague.

It appeared highly unlikely, however, that the United States could ever agree to a lifting of sanctions against Serbia without securing Mr. Milosevic's recognition of Bosnia and Croatia because of the Serbian Army's discreet but crucial support of the Bosnian and of the Croatian Serbs.

Last August, Mr. Milosevic did break with the Bosnian Serb leader, Radovan Karadzic, over his refusal to accept a peace plan offering the Serbs almost half of Bosnia.

He imposed a porous blockade and set about extending the influence in Bosnia of his Serbian Socialist Party.

But the dispute was always more about the best tactics for achieving the unification of Serbs in a single country or confederated states, rather than the goal itself. Mr. Milosevic is as skeptical about the existence of a state called Bosnia as most Serbs.

Western diplomats say Mr. Milosevic may be closer to a possible recognition of Croatia, a state that Serbs at least acknowledge exists even if they dispute its size, but objects to what he sees as being rushed by the Croatian president, Franjo Tudjman.

Mr. Tudjman recently decided to end the mandate of United Nations troops in Croatia at the end of March. The departure of the troops could open the way to a second Croatian war.

In a clear preparation for this, Mr. Karadzic and the leader of the Croatian Serbs, Milan Martić, met in the Serbian-held Bosnian town of Banja Luka on Monday and announced the formation of a joint defense council.

The creation of the council merely imposed a formal bureaucracy on a reality that has long existed: General Ratko Mladic, the commander of the Bosnian Serbs, leads all Serbs west of the Drina and coordinates their military campaigns, as in the recent Serbian attack against the Bihac area.

Further preparations for renewed fighting have also been evident among the Muslim-led Bosnian government forces in recent days, with at least 17 helicopters and one mysterious transport plane landing at Tuzla airfield in northern Bosnia in defiance of the no-flight zone over Bosnia.

United Nations officials have been unable to explain the origin or purpose of the flights.



Two Muslims praying Monday at the grave of their father, killed in the war in Sarajevo.

### BRIEFLY EUROPE

#### Britain Prods EU Over Livestock

BRUSSELS — Pressured by animal rights groups, Britain urged its European Union partners Monday to improve conditions under which livestock is transported to slaughterhouses across the Continent. The issue has caused a north-south split, with Belgium, Denmark, Germany, the Netherlands and Sweden backing Britain's demand for stricter controls on the journey times of calves, cows and sheep.

Animal rights groups demand an eight-hour limit on journey times. But even a 15-hour compromise offered by Britain has been rejected by southern EU members. As the ministers arrived to discuss the issue, about 150 protesters gathered outside the EU head office with banners and slogans.

With their large slaughtering and meat-curing industries, the southern nations are the biggest importers of live animals. EU rules set a travel-time limit, requiring only that animals be given a break after 24 hours. Officials said the ministers were close to agreeing on travel conditions, such as the amount of space and ventilation in trucks or trains and the frequency of resting and watering stops. (AP)

#### NATO Sees U.S. Letter to Yeltsin

BRUSSELS — The NATO allies on Monday discussed the text of a letter on European security that President Bill Clinton plans to send to Boris N. Yeltsin, sources in the alliance said. The officials, who asked not to be named, said Mr. Clinton wanted to consult with the allies before he sent the letter to the Russian president.

The U.S. president's letter will focus on Russia's relations with the North Atlantic Treaty Organization. Those relations have soured since December, when Russia postponed a cooperation agreement with NATO to protest the alliance's plans to one day invite East European nations to join. Worsening the relationship has been Russia's conflict with Chechnya.

Officials said it was routine that delegates from the 16 NATO nations discuss such a letter before it was sent. (AP)

#### Belgium Schedules Early Elections

BRUSSELS — Belgium will hold general elections on May 21, seven months earlier than scheduled, Prime Minister Jean-Luc Dehaene said Monday. Mr. Dehaene said that a scandal involving the Socialist Party, a member of the four-party center-left coalition, had influenced his decision.

But the main reason for early elections was to have a new mandate to work on the 1996 budget talks due this summer. Belgium has the highest debt in the EU in terms of gross domestic product and one of the highest unemployment rates in Europe. It needs to cut its debt if it is to take part, in 1997 or 1999, in the final stage of the EU's Economic and Monetary Union when a single currency will be introduced. Reuters

### Calendar

European Union events scheduled for Tuesday:

BRUSSELS: The European Commission president, Jacques Santer, and Martin Bangemann, commissioner for industry and information technology, hold a briefing on the main points to be considered at a Group of Seven meeting on information superhighways, to be held in Brussels from Friday to Sunday.

BRUSSELS: Yves-Thibault de Silgny, commissioner for economic and monetary union, briefs the European Parliament's monetary commission.

ZAGREB: Hans van den Broek, external relations commissioner, makes an official visit to Croatia.

Sources: Agence Europe, AFP.

# If UN Troops Go, Can Croatia Avoid War With Serbs?

By John Pomfret  
Washington Post Service

KASIC, Croatia — On a hill outside this deserted Croatian village, overlooking a desolate, demilitarized zone separating the Croatian Army and rebel Serbs, sit the ruins of a Serbian Orthodox church. During the 1991 war over this region, Croatian troops turned its graveyard into a gruesome foxhole, swapping places with corpses and employing the cemetery as a spotting position for artillery.

Last March 29, under a cease-fire agreement brokered by the United Nations, the Croatian Army withdrew from the area toward Zadar on the Adriatic coast, and UN troops took up positions near the church. The agreement separated Serbs and Croatian troops by at least 2 kilometers (1.3 miles) along more than 1,600 kilometers of the front line and allowed thousands of UN soldiers to establish hundreds of observation posts between the two sides.

Now, following a decision by Croatia's president, Franjo Tudjman, these UN soldiers — Canadians, Kenyans, Jordanians, Poles, Russians and others — could be forced to evacuate this "zone of separation."

UN officials and foreign diplomats have warned that such

an evacuation would raise significantly the chances that war could again erupt in Croatia, after almost three years of relative peace. A new conflict here would erase any chance of a peace agreement in neighboring Bosnia and could broaden the struggle by dragging Yugoslavia — now reduced to Serbia and Montenegro — into the fray on the side of its brother Serbs.

Mr. Tudjman, in a recent interview, insisted that his decision to make the 12,000 UN troops begin pulling out of Croatia by March 31 did not mean he is readying his country for war.

The president said he wants the UN forces out of his country because all they are doing is policing a confrontation line that is fast becoming a border between two states. Mr. Tudjman, backed by UN Security Council resolutions supporting Croatia's sovereignty, wants to reunite his country, not see it split into two states, one Croatian and one Serbian.

Standing in front of the bombed-out church, Lieutenant Greg Smith of the Canadian Army, who commands several observation posts in the 656 square miles patrolled by 770 Canadian troops, did not mince words on what a UN pullout would mean.

"Even if nobody wants another war, they're going to have a hard time preventing it without us in the middle," the 25-year-old infantry officer said as he looked first at Croatian lines and then at Serbian forces, separated by a valley of dogwoods.

"As soon as we're gone, each side is going to scramble to get the strategic points, like this one. First you'll have little fire-fights. Then maybe a few more. Pretty soon, you've got another full-blown war on your hands."

As a result of these fears, which run from line officers like Lieutenant Smith down to the army's sergeants and privates and up to Yasushi Akashi, the Japanese diplomat who heads the UN mission in the Balkans, Mr. Tudjman, 72, is under intense pressure to change his mind.

If war broke out, UN officials say the Croatian Army could inflict a lot of damage on the Serbian forces in several sections of the 27 percent of Croatia they occupy. In turn, the Serbs are known to possess a large number of mobile Frog missiles, which, while highly inaccurate, could cause widespread destruction, death and panic in all of Croatia's major cities except for the Adriatic port of Rijeka, which is out of range.

Serbian-occupied Croatia is divided into four parts: an oil-rich swath of territory along Croatia's border with Yugoslavia, which the UN command calls Sector East; an isolated, thumb-shaped chunk of territory that juts north from Bosnia's Serbian-held Banja Luka region, called Sector West; and Sectors North and South, which wrap around much of western Bosnia, including the strategic, Muslim-held Bihac pocket.

A senior UN operations officer said that if fighting does break out, one at the UN command expects the Croatian Army to menace Sector East because the oil-rich area could easily be resupplied by troops and equipment from Belgrade.

Serbia's president, Slobodan Milosevic, has vowed to support the Serbs in Croatia should Mr. Tudjman attack. The UN officer said Croatian Army troops are building "very sophisticated concrete bunkers" along the front line facing Sector East.

"In building these defensive works, the Croatians are saying, 'We are not going to get this back,'" the official said.

That is not the case for Sectors West, North and South. In those sectors, it is Serbian forces that are digging trenches. "You don't see the Croatians doing defensive digging," said

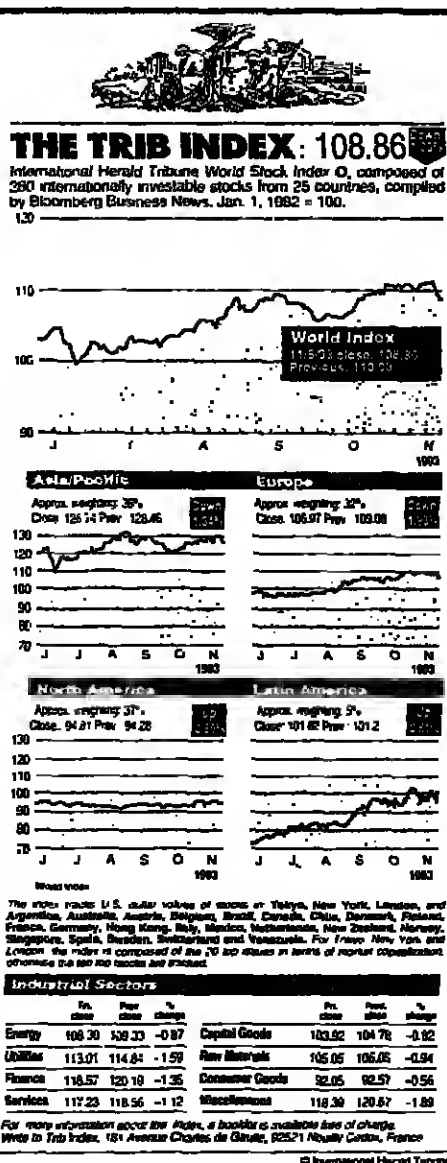
Lieutenant Smith. "There's a lot of good farmland around here and they want it." Instead, UN officials said, the Croatian Army has been practicing tank assaults on Hvar Island, just off the coast. The booms are audible in Kasic.

While UN officials are sure that Serbs from Bosnia, Serbia and Montenegro would aid their brothers in Croatia, they

are not convinced such cooperation exists between the mostly Muslim Bosnian Army and the Croatian military.

But for any Croatian offensive to succeed, UN officers say, Mr. Tudjman's army must coordinate its attack on Serbian-held territory in Croatia with a Bosnian government offensive against Serbian-controlled lands in Bosnia.

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THE WORLD'S DAILY NEWSPAPER

# 150 Years On, Irish Ponder Great Famine

By James F. Clarity  
New York Times Service

COROFIN, Ireland — Patrick Stephens is a prosperous farmer most of whose ancestors emigrated to America from this story-soil hamlet in western Ireland during the Great Famine of the 1840s.

Recently, Mr. Stephens showed off several tons of healthy potatoes in his shed, holding one in his hand. Then he smiled and said that his family of six, plus a hired man, now eat about 40 kilograms (90 pounds) of them every week.

The 49-year-old farmer says this will be a good year for Irish potato farmers. He has been busy with his crop, but he has also been spending some time studying the past as Ireland marks the 150th anniversary of the start of the potato famine that was the defining event in Irish history.

Through starvation and emigration, the famine reduced this island's population by a third, to its present level of about 5 million.

It also nurtured hatred for the British colonial masters and led to formation of violent secret societies, one of which ultimately evolved into the Irish Republican Army.

Since southern Ireland became independent 74 years ago, the famine has been largely ignored by the government and by academics and writers — out of horror, guilt over the role of some of the Irish, and a disinclination to irritate Britain over its role. One of Ireland's great poets, Patrick Kavanagh, wrote a long, harrowing poem about it.

The famine is missing, though, from the work of James Joyce and William Butler Yeats.

But this year, Mr. Stephens and the rest of Ireland will officially acknowledge Ireland's great tragedy for the first time.

The blight starved 1 million people and forced 2 million others to emigrate to America, Australia, and Britain, forming

**The blight starved 1 million people and forced 2 million others to emigrate to America, Australia, and Britain, forming a diaspora that is now estimated at 70 million.**

an Irish diaspora now estimated at 70 million.

President Mary Robinson, who took the lead in deciding to confront history, said in one of her rare speeches to both houses of the Parliament in Dublin that "commemoration is a moral act."

She was careful not to refer specifically to the British role in the famine, but she praised those who are now examining the causes and responsibility.

"I blame England," said Mr. Stephens, who has visited the country's new Famine Museum and studied the history.

He has learned that potato blight, a fungus that he removes from his own crop with chemical spray, spread rapidly in the 1840s because the impoverished tenant farmers depended on

only one kind of cheap potato — the waxy, poor-tasting lump-cr.

At first, London sent money, established public works projects, set up soup kitchens, and imported thousands of tons of cornmeal from America.

But an English Whig government that was devoted to free trade principles came to power

and decided that Ireland, then a part of Britain, would have to work its own way out of the catastrophe. "The great evil with which we are to contend is not the physical evil of famine, but the moral evil of the selfish, perverse, and turbulent character of the people," wrote the crown's official in charge of relief, Charles Trevelyan.

Many of the English, particularly Quakers, were appalled and tried to help, as did Queen Victoria, who sent £2,000 of her own money.

The history of the famine is being explored this spring in seminars, including one at New York University in May, and one at the privately funded Famine Museum, established nine months ago at Strokestown, east of here.

At the Famine Museum, Rosemary Cunningham, a 27-year-old sociologist, talked with visitors. She told them that one of her own ancestors was found dead of starvation and fever during the famine.

Later, she said that the museum has had many English visitors, and that some express guilt, asking: "Are you glad we came? Are you angry with us?"

Ms. Cunningham said that the famine had been ignored in Ireland because the largely uneducated victims either died or emigrated, leaving no accounts of their suffering. And among the Irish, she said, were some who exploited the situation, taking over land from which the starving farmers had been evicted.

These days, the Irish farmers do rather well. In fact, a shortage of potatoes in Europe this year because of bad weather on the Continent will make Ireland a net exporter of potatoes, which it has seldom been in the past. Officials estimate that 40,000 tons of the 600,000-ton Irish crop will go abroad, at the relatively high price of about \$430 a ton — to Sweden, the Netherlands, and possibly Britain.

"This will be the best year for Irish potato farmers since the famine," said Jim Thornton, the potato expert for the Irish Farmers Association. He said that the Irish are now the biggest potato-eaters in Europe, consuming about 135 kilograms per capita a year.

Before the famine years, he said, each person ate 5 to 6 kilograms a day. The lump-cr was virtually their only food.



## INTERNATIONAL

## The Appealing Dullness of Gore

### As Clinton Falters, His Vice President Shines

By Elaine Sciolino  
and Todd S. Purdum  
New York Times Service

WASHINGTON — Two years ago, when Al Gore said he wanted to reinvent government, people listened politely. Or snickered. Or fell asleep. When he took his first foreign trip — to Poland in April 1993 — it was assumed that he was trying, like vice presidents before him, to fill up his time.

There is not so much snickering now.

Mr. Gore's partisans say he is finally coming into his own. But it may be simply that in an administration plagued by disorganization and indecision, inexperienced aides in some key jobs and power vacuums in key agencies, Mr. Gore's brand of steady dullness seems increasingly appealing, if effective mainly on the margins.

Over the last two years, the man once pegged only as a highly intelligent, eco-techno-nerd who talked too much in meetings has emerged also as the president's most trusted official adviser and his ultimate

#### Ship Freed From Ice Floes

TOKYO — A sightseeing ship with 270 people aboard was trapped by blocks of floating ice off Japan's northern coast but returned to port safely Monday night, officials said. The Aurora II managed to return under its own power to Abashiri on Hokkaido island eight hours after becoming trapped, the Maritime Safety Agency reported.

trouble-shooter, the one most likely to seize opportunities, put out fires and enforce decisions.

Disillusioned by Mr. Clinton, Democrats who once doubted Mr. Gore's ability to sizzle in a national campaign now whisper conspiratorially about his presidential prospects.

Filling gaps aggravated by Mr. Clinton's uneven management, especially of foreign policy, Mr. Gore has been able to reach selectively into important areas of foreign and domestic affairs.

He performs tasks that in other administrations were the singular preserve of the secretary of state, like persuading Ukraine's president to dismantle his country's nuclear weapons, or of the White House budget director, like ordering cabinet officers to shrink their departments.

"In meetings, when a lot of people talk, you'll see the president looking around the room," said Michael McCurry, the White House spokesman. "When Gore talks, the president is absolutely riveted."

But if Mr. Gore is so good, why is the White House in such trouble? Where was the vice president when Bosnia flared up, when health care flamed out, and the nomination process broke down?

Mr. Gore's relentless campaigning on behalf of Democrats last fall did not stop the Republican landslide — even in his home state of Tennessee, where both Democratic Senate candidates lost.

Blame doesn't stick to him, in part because as vice president he is not the day-to-day commander of anything and so does not have ultimate responsibility.

Mr. Gore also has the luxury of picking his targets, and he does that so carefully that he does not get involved in issues he cannot control.

He studiously stayed away from the health care fight. And although he argued passionately for more U.S. intervention in Bosnia, he was never held responsible for the policy shifts and failures.

Now, with the administration scrambling to respond to the blunt message of the midterm elections that big government is bad, the streamlining campaign that Mr. Gore started with little fanfare in 1993 has sailed to the top of Mr. Clinton's neocentrist agenda.

And Mr. Gore is more than ever the president's public hand-holder now that Hillary Rodham Clinton, in political seclusion since the health care fiasco last year, wields her influence mostly in private.

For most of U.S. history, presidents suffered their No. 2's or used them as partisan attack dogs. Even strong vice presidents like Walter F. Mondale and George Bush never approached Mr. Gore's prominence.

Asked in a recent interview where he thinks he fits in vice presidential history, Mr. Gore reverted to modesty. "I don't know how to compare myself with others," he said. "The president is terrific about asking me to share in this, that and the other. And I'm grateful for that."

But Mr. Gore doesn't quarrel with the notion that he is, in Secretary of State Warren M. Christopher's words, "the most influential vice president in history."

## FRANCE:

### Wiretap Uphear

Continued from Page 1

reportedly told a patient who was the wife of one of the politicians under investigation that for a million francs (\$190,000), he could get the judge to lay off. Didier Schuller, the politician, reportedly complained to the Interior Ministry that he was being subjected to an extortion attempt.

Mr. Pasqua then apparently got Mr. Balladur to approve the tapping of Dr. Maréchal's phone, and the doctor was arrested Dec. 20 at Charles de Gaulle airport near Paris as he was accepting a suitcase full of money from Mr. Schuller.

In the wake of the discovery, the government pressed to pull Judge Halphen off the investigations, but judiciary colleagues said he had had no knowledge of what his father-in-law had allegedly been doing and should not be penalized.

Early this month, a French court dismissed all the evidence against Dr. Maréchal and ordered the telephone transcripts destroyed. The tapping that led to the evidence, the court said, had been legally inadmissible.

Mr. Balladur insisted everything had been on the up and up. On Sunday night, he said he had indeed approved the wiretapping order as an emergency procedure, and had "scrupulously respected the rules of ethics and legal procedures."

But opponents said that the terms of the wiretapping law, passed in 1991, allowed emergency wiretapping only in cases that clearly posed a threat to national security or involved organized crime — neither of which appeared to apply.

And on Monday, aides to the prime minister, speaking anonymously, said that Mr. Balladur had been misled by the judiciary police.



Prime Minister Edouard Balladur inspecting a tunnel Monday for a new Paris rail line.

## De Klerk

### Disavows '82 Bomb

Reuters

CAPE TOWN — South Africa's deputy president, Frederik W. de Klerk, said on Monday the 1982 government bombing of the London office of the African National Congress was "wrong and should not have been done."

Mr. de Klerk said he had never been a part of any decision by an apartheid government to commit a crime.

"I have never been part in any meeting, of any decision to commit a crime," he said. "I have never been part of any decision which can be described as assassination or a willful decision towards a crime," he said at a news conference.

"I distance myself from atrocities and from assassinations," he said, answering questions after a report in the Observer that agents of the former white government blew up the ANC's London headquarters in 1982.

Asked whether the 1982 bombing was a crime, he said, "In terms of British law, yes."

"In terms of South African law," he added, "I would say the office of an organization which is recognized by the government of the country in which that office is, I would say that that was wrong and should not have been done."

## TRIAL:

### Bloody Past

Continued from Page 1

terinsurgents in the struggle to preserve white control of Rhodesia (now Zimbabwe) and South-West Africa (now Namibia).

The war against Communist-backed liberation warriors at the borders, though, came home as a war against the civil rights campaigners and their sympathizers, growing in scope and lethal independence.

"My illegal arms cache fit in my Datsun," recalled Dirk Coetzee, an earlier Vlakplaas commander who turned against his comrades in the 1980s.

"After Gene de Kock took over in 1985, two entire farm buildings were converted to strongrooms for truckloads of unregistered arms."

Mr. Coetzee, whose confessions of political murders made him a press sensation but an official pariah, was the original target of the lethal Walkman. After being tested successfully on a pig, the device was sent to Mr. Coetzee in exile in Zambia, but he refused to pay the import duty. The killers had used his lawyer as the return address.

According to preliminary testimony compiled by the prosecutors, the Vlakplaas unit bombed the headquarters of labor unions and church groups and conducted cross-border raids to kill anti-apartheid campaigners in exile.

In February 1990, the late white president, Frederik W. de Klerk, called off the war, freed Nelson Mandela from prison, and agreed to negotiate the end of white rule.

A few months later, the Vlakplaas unit was ostensibly disbanded.

But the Vlakplaas operatives continued their labor of resistance, specializing now in fomenting fratricidal warfare among blacks.

According to a judicial inquest last year, Vlakplaas operatives supplied automatic rifles, rocket-launchers, and grenades to the Zulu-based Inkatha Freedom Party for its civil war against Mr. Mandela's organization, the African National Congress.

Within the tight fraternity of white resistance, Colonel de Kock remains even now a hero, an inviolable commander who retired from the police with a \$350,000 golden handshake approved by Mr. de Klerk's cabinet.

When Colonel de Kock was arrested last May, admiring policemen put him up in an unlocked cell with a cocktail bar, cellular telephone, and color TV and allowed visiting privileges for his old buddies. Before his cozy life was leaked to the newspapers and he was moved to a maximum security cell, he made outings to bars.

Although Mr. Mandela has said that Colonel de Kock should not be eligible for a reprieve, prosecutors worry that their case could be aborted by an appeal to the forthcoming truth commission.

Colonel de Kock's lawyer, Flip Hatting, said his client was considering seeking immunity from prosecution.

"We've got to wait and see what the act looks like, the cut-off date, and the definition of what offenses would qualify," Mr. Hatting said.

## STORIES: Dying Breed in Souks

Continued from Page 1

ing a day of fasting during the Muslim holy month of Ramadan, customers crowd into the Nofara Café, their chairs spilling onto the stone steps outside.

"I come for the bakawati, because he is the memory of Damascus," said Sam Chigort, 20, a student of business administration who comes once a week.

"It is always nice to be able to look a little behind you as you are walking," said Fata Raslan, 28, an instructor at Aleppo's Hotel School. "There is this proverb here that says: 'He who does not have the old will never find the new.'"

When Queen Taj Bakht is kidnapped by the invading crusaders on her way from Damascus to Egypt to join her king,

the story goes, Ibrahim comes to her rescue.

"What is thy name?" she asks.

"My name is lost and scattered," Ibrahim sighs. "Oh, lady, I am a field worker, a peasant with cracked soles."

"I shall call you Ibrahim — the Shield of Virgins — and I have become your sister," the queen offers.

"And I your servant, my lady, and the servant of each maiden," Abu Shadi recites, bowing his head.

"Our stories are about heroism and the defense of honor, charity — the hakawati embodies all of this," said Abu Shadi, who reads from a tattered text handwritten 300 years ago. "Today, the hakawati is a kind of moral guide."

## HIGHWAY: G-7 Rides Shoulder

Continued from Page 1

will turn the European Parliament building here into a giant exhibition hall of potential 21st century applications, aiming to persuade leaders, especially Europeans, that technology offers a better future, not a jobless one.

While skirting their policy differences, EU and U.S. officials stressed that, for the first time, the G-7 was including industry executives in a meeting.

The conference will open with a roundtable of chief executives of 50 leading information companies, ranging from Apple Computer and Time Warner of the United States to Siemens AG of Germany and the Japanese video-game maker Sega Enterprises.

More than 100 companies will turn the European Parliament building here into a giant exhibition hall of potential 21st century applications, aiming to persuade leaders, especially Europeans, that technology offers a better future, not a jobless one.

"Our role is to give a kind of showcase for information-superhighway technology," said William Cohert of Silicon Graphics. His company is working with Time Warner to exhibit an interactive television system they are testing in Orlando, Florida. Silicon Graphics is also demonstrating a virtual design studio intended to help Ford Motor link its automobile designers in Detroit, Europe and Japan.

## PESO: Mexico Raises Interest Rates

Continued from Page 1

pose enormous political problems for President Ernesto Zedillo Ponce de León.

To get the \$20 billion in direct American help that the Clinton administration announced last month, Mr. Zedillo's government is agreeing to shrink Mexico's money supply, even if that means charging interest rates of 50 percent or more on bank loans to businesses and on home mortgages.

Also included in the draft of an agreement is a toughening of a highly controversial condition that Washington is placing on Mexico: The United States would effectively control the flow of the billions of dollars that Mexico earns every year from the export of its oil, starting in the next few months.

Under an earlier plan, the United States would have control of the oil revenue. Mexico's biggest single source of foreign currency, if Mexico defaulted on some of its U.S.-backed obligations.

The stringent conditions seem bound to open Mr. Zedillo to charges at home that he has permitted the United States to dictate Mexico's economic policy, an enormously sensitive issue in Mexican politics.

But U.S. officials insisted that anything short of draconian fiscal discipline would mean that foreign investors would continue to pull money out of the country — and the problem that the United States raced to solve last month could return in the form of a bigger crisis.

## NET: Rebels' New Secret Weapon

Continued from Page 1

Sebastián Guillén Vicente, or any other top Zapatista leader has hooked into the Internet directly, although acquaintances say the rebel leaders are no strangers to computers and high technology. When federal police raided alleged Zapatista safe houses in Mexico City and the southern state of Veracruz last week, they found as many computer diskettes as bullets.

According to a federal legislator, Adolfo Aguilar Zinser, who met with Marcos at a jungle hideout last year, the rebel leader typically would write his voluminous messages on a laptop computer, which he carried in a backpack and plugged into the lighter socket of an old pickup truck he used when traveling between the remote Zapatista strongholds of La Garrucha and Guadalupe Tepeyac.

Colonel de Kock's lawyer, Flip Hatting, said his client was considering seeking immunity from prosecution.

"We've got to wait and see what the act looks like, the cut-off date, and the definition of what offenses would qualify," Mr. Hatting said.

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Source: \* VIVA Surveys '92/'93. \* Reader Survey '94.



INTERNATIONAL

# Whirlwind Gives Kabul Air of Peace

By John F. Burns  
New York Times Service

KABUL — Until last year, this ancient capital sat stolidly beneath the snow-capped mountains of the Hindu Kush. None of the invaders who came in through the ages — not even the Soviet divisions that abandoned a futile occupation six years ago this month — left much imprint on the city's mud-colored sprawl.

But now Kabul lies largely in ruins, its old city reduced to street after street of rubble, its great forts and palaces blasted into pitiful monuments to past resilience. What armies from afar could not do, Afghan fighters accomplished in a 13-month siege that ended suddenly last week at the hands of a mysterious new force, the Taliban.

In a city that came close to starving after a blockade last year, merchants did a busy trade until past dusk from mounds of fresh meat, stacks of fruits and vegetables, and baskets heaped with raisins or nuts.

Off in the west, bursts of small-arms fire rattled through the ruins, reminders of an unresolved conflict that could re-ignite any time.

But for a time, at least, the 600,000 people who endured the miseries of the siege, the rest of a population that had swollen to 2 million during the last years of Soviet occupation, seemed intent on enjoying the unexpected respite from war.

Many who have struggled for survival are reflecting on why Afghanistan's war raged on, years after Soviet troops with-

drew and its Communist government collapsed. The Soviet Union shook the world when its paratroop invasion force landed at Kabul airport on Dec. 21, 1979, but the blame for the killing and destruction that followed the occupation cannot be placed at the Kremlin's door.

"I don't blame the Russians for this — I blame ourselves," said Mohammed Akram, 48, an engineer who was having his best business day in years, selling generators, battered televisions and homemade satellite dishes to customers eager to regain contact with the world. "It is we Afghans who are responsible for all this killing and destruction. Is it possible? Are we mad?"

What brought the city its fragile peace was the whirlwind of the Taliban. This force of turbaned and taciturn Islamic militants was formed barely six months ago in the southern city of Kandahar. There, the Taliban leaders, Muslim clerics, swore a covenant to root out the self-styled mujahidin, or soldiers of God, who imposed a bloody anarchy after the Soviet withdrawal in 1989.

A week ago, in their most important victory, they routed a force loyal to Gulbuddin Hekmatyar, widely considered to be the most ruthless guerrilla leader. As Taliban fighters closed in on his headquarters in the rocky hills south of Kabul, Mr. Hekmatyar hastily packed up his satellite telephone, loaded it into one of a fleet of Japanese vans, and retreated east across the mountains to a base 65 kilometers (40 miles) from the capital.

The retreat brought an end to months of

bombardment that Kabul had suffered from Mr. Hekmatyar's Soviet-made tanks, artillery and rocket-launchers. If the rout marked the end for the Hekmatyar force as a major player in the civil war, it may also have removed, in the obdurate Mr. Hekmatyar, the man seen as the biggest obstacle to peace among the factions contending for power.

But few here are ready to believe that the miseries are over. For one thing, Taliban commanders have said they regard the government here, led by another former resistance leader, Burhanuddin Rabbani, as corrupt and "un-Islamic," and thus unfit to rule. They have demanded that Rabbani forces pull back almost to the Kabul River and prepare to hand over power to a new government that the Taliban says must represent all Afghans.

The Taliban is uneasily camped eight kilometers from the heart of Kabul. A United Nations envoy, Mahmoud Mesuri, has begun a shuttle between the Taliban commander and Ahmed Shah Masoud, military chief of the Rabbani government, trying to draw the Taliban into a governing council.

■ **Taliban Sets 3 Conditions**

Taliban set three conditions Monday for joining the UN-proposed interim authority. Reuters reported from Kabul.

A spokesman said that the Taliban wanted a neutral security force created for Kabul, that all interim council members must be "good Muslims," and that any future government must be Islamic.



Afghans cycling past a fighter carrying an assault rifle in Kabul on a road that had been closed for more than a year.

## Zaire Orphanage: Casualty of Success

### When TV Left, So Did Cash

By Jonathan C. Randal  
Washington Post Service

NDOSHO, Zaire — Six months ago, the orphanage here was the grim backdrop for one of the most successful appeals in the history of disaster fund-raising.

Television cameras filmed babies and small children, victims of Rwanda's civil war and ethnic bloodshed, lying in their excrement on plastic sheeting, dying of cholera and dysentery as a lone, overworked and unpaid doctor tried to save lives.

Relief organizations took in tens of millions of dollars from television viewers horrified by Rwanda's season in hell, which began last April with the Hutu majority's massacre of an estimated half-million members of the Tutsi tribe.

Today, laughing Hutu boys play soccer on the orphanage's once-jagged, but now flattened lava rock playground. The last international medical team recently packed up and went home amid deserved self-congratulation.

Hundreds of children once believed to be orphans have been reunited with their families, and the death toll, which ran at 10 or more a day in late July, was arrested at 217.

But Ndoshoh is now a prisoner of its own success, unable to meet its bills, trying to cope with a staggering, if reduced, caseload.

The orphanage called SOS Village d'Enfants, 8 kilometers (5 miles) west of the Zairian border city of Goma, is learning the perverse lessons of international charity when, in a senior United Nations official's words, "Andy Warhol's 15 minutes of fame are over and Rwanda is no longer flavor of the month."

Dan Toole, head of the Unicef operation for Rwanda, complained recently that he had received commitments for just \$1 million a month after appealing for \$66 million for this year's operations inside Rwanda and among the nearly 2 million mostly Hutu refugees in camps in Burundi, Tanzania and Zaire. He is living off the dwindling fat of last year's contributions.

Mr. Toole is thankful that a Japanese goodwill ambassador for Unicef raised money for Ndoshoh for blankets, equipment and rudimentary buildings to house children and ancillary services.

The private orphanage for 40 children held more than 3,000 last summer, when day after day French Army trucks, relief organization vehicles, buses, pickup trucks and private cars discharged their often stunned and dying cargo.

Most of the children were from Hutu families fleeing the fall of a Hutu-led government that had orchestrated Rwanda's ethnic slaughter and was toppled in July by the Tutsi-led Rwanda Patriotic Front.

Now there are about 1,000 children left, called "unaccompanied children" by relief organizations, and by June the orphanage hopes to have only 500. They are likely to be the youngest children, with those under 3 traditionally the most difficult to match with families.

Unicef, the International Committee of the Red Cross and Save the Children-U.K. are pleased with their success in increasing the pace of family reunions now that parents and relatives are able to take care of the children.

Catherine Greve, the Red Cross official in charge of tracing, is confident that the vast majority of the more than 70,000 unaccompanied Rwandan children thought to be here and abroad eventually will be linked up with relatives — "if we have money," she says. But the effort could take 10 years.

And Unicef has no more funds to keep paying the orphanage's diminishing staff.

Last summer, the orphanage employed 320 nurses, cooks, administrators and Zairian foster mothers and their assistants, who were crucial in keeping Rwanda's former government, now called in Zaire, from incalculating the children with its propaganda.

"We want to keep our Zaire personnel," said Nimet Lalani, the orphanage doctor. "We are sure of their integrity, and that's important because of the massacre."

She lamented that Unicef had cut its salary support from \$25,000 a month in September to \$15,000 in January, and planned to cut the budget by half this month.

"As soon as the television cameras pulled out of Goma, we were forgotten."

## Tamil Rebels Deny Plotting To Kill Sri Lankan President

COLOMBO — Tamil rebels have denied accusations that they plotted to assassinate President Chandrika Bandaranaike Kumaratunga of Sri Lanka, with whom they are having peace talks.

"Chandrika's hand is clean. We have no reason to assassinate her," a spokesman for the rebels, Autton Balasingham, said in the rebel-held town of Jaffna in the northern peninsula.

Mr. Balasingham said he felt the president was sincere in her approach to the ethnic conflict. A truce has been in effect

between government troops and Tamil rebels since Jan. 8. The two sides began peace talks in October, two months after Mrs. Kumaratunga's People's Alliance government came to power.

The Liberation Tigers of Tamil Eelam have been fighting since 1983 for an independent homeland in the north for minority Tamils.

Last month, the police said they had information about a plot to kill the president after a photographer they said had links to the rebels was arrested taking pictures outside Mrs. Kumaratunga's ancestral home.

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THE WELSH ADVANTAGE.



# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Invest in Development

The Senate Budget Committee staff has circulated a proposal to terminate American contributions to multilateral development banks. It is a callous and shortsighted idea that should be disowned by the committee.

The United States contributes money to the United Nations Development Program — which the proposal also threatens — as well as to several development banks, the most important of which is the World Bank. Other recipients include the Africa, Asia and Inter-American development banks, which lend to poor countries for economic development.

The Budget Committee staff apparently thinks the money is wasted. The staff's judgment is myopic. It takes no account of the relatively modest contributions that Washington makes to the development banks, and shows cold indifference to the role that a wealthy and powerful country like the United States ought to play in helping desperate people subsisting on less than a dollar a day.

U.S. contributions, multiplied many times over by money from other industrialized countries, have done much to reduce infant mortality in sub-Saharan Africa, raise food production in South Asia and educate children in Latin America.

The World Bank — the largest recipient of U.S. money — is far from ideal. Created in the aftermath of World War II, it started off financing huge dam, transportation and other infrastructure projects. Some made sense. Others were environmental and social disasters, uprooting communities and entrenching corrupt politicians. But the bank's tactics have changed, and it is now investing

more in people. The bank pours money into vaccine, nutrition, education and clean-water programs that have helped ameliorate horrific living conditions throughout Africa, Asia and Latin America. The World Bank is also an invaluable source of policy advice, helping countries set up judicial, financial and monetary institutions to carry their economies toward democracy and open markets.

The United States spends about \$2.5 billion on the multilateral banks and other development programs. In a \$1.5 trillion federal budget and a \$6 trillion economy, these sums are small. Yet they loom large to recipients because Western allies chip in more than \$10 for every dollar Washington contributes. The expenditures buy a faster-growing Third World, which translates into more American exports, less military aggression, fewer refugees and more certain evolution of democratic governments and open economies.

Critics of development aid argue that the Third World is better off opening up its economies to trade and investment than reaching for handouts from Washington. But this nostrum overlooks a harsh reality: Private investors shun the frailest cases, funneling more than 70 percent of their investment in developing countries to only 10 countries. Sub-Saharan Africa attracts only 2 percent.

The development banks are the only institutions that possess the resources, expertise and will to attack crushing poverty. The United States already ranks last among industrialized countries in the percentage of its income devoted to foreign aid. It should sink no lower.

— THE NEW YORK TIMES.

## Questions for Ron Brown

The Justice Department's decision to launch a formal investigation of Commerce Secretary Ronald H. Brown's personal financial interests is not an inconsequential act. To get the investigative hall rolling, a preliminary Justice Department review had to find "specific allegations of wrongdoing from a credible source" against Secretary Brown. That now has been done to the attorney general's satisfaction. If the formal review develops credible allegations that Mr. Brown has broken the law, the next step could be to ask the U.S. Court of Appeals to appoint an independent counsel to conduct a criminal probe.

Mr. Brown's attorney contends that at the end of the inquiry the Justice Department will be satisfied that his client broke no laws. Under the department's time frame, we will learn the answer in fewer than 90 days. It will be terrible news if the investigation concludes otherwise.

Ron Brown has been an effective commerce secretary and a Clinton administration standout. That is all the more reason to view what is happening to him with some dismay. But how much of this has Mr. Brown brought on himself? His defenders claim that he is the victim of a politically motivated witch hunt initiated by Republicans eager to sandbag a former Democratic Party chairman, a cabinet member and the prospective head of Bill Clinton's re-election campaign.

Undoubtedly there are plenty of Republicans who are getting a kick out of seeing yet another Clinton cabinet officer come under special scrutiny for possible wrongdoing. But, as with the cases of former cabinet secretary Mike Espy, who quit after an independent counsel entered his life, and Housing and Urban Development Secretary Henry Cisneros, who is also the subject of a preliminary Justice Department inquiry, Secretary Brown has given the investigators plenty of material to work with.

At the heart of the concerns raised by the secretary's congressional critics is whether he violated federal laws by filing false financial disclosure reports and giving executive and legislative officials incomplete and erroneous information about his financial dealings. Mr. Brown, directly and through his attorney, says he has not. But proclaiming one's innocence of conflicts between official and private dealings is one thing, providing a fully documented public record to back up that assertion is quite another. And to hear the chairman of the House Government Reform and Oversight Committee, William Clinger Jr., tell it, Ron Brown's record leaves a lot to be desired.

There is the question of why Mr. Brown received more than \$400,000 from a company he owned with Washington business executive Noland Hill, although he invested no money and the company made no profit. There are also questions about whether he, as commerce secretary, fully disclosed all of his financial interests in a complex web of businesses known as First International, Condo Broadcasting Corporation and Kellie Communications. The Justice Department's investigation can help determine if there have been violations of law. Mr. Brown, however, can only resolve the questions that have been raised about his business dealings by ensuring that all relevant information about his personal financial holdings has been made available for public scrutiny.

— THE WASHINGTON POST.

## Other Comment

### Hoping for a Deal

In a trade war only civilians are targeted, and the generals get off without a scratch. Just look at the Chinese-American clash over intellectual property rights. In private and away from the cameras, of course, the generals of both sides would admit that sanctions only work as a bluff, and most everyone expects a last-minute peace treaty before the Feb. 26 deadline. We hope so. As the world looks to a 21st century where borders are no longer barriers to business, surely there has to be a better way to handle trade grievances than to hold hostages to the heads of innocent hostages. The trouble with guns is that from time to time they go off.

— Far Eastern Economic Review (Hong Kong).

### NATO Looks South

NATO has begun to look southward with security very much on its agenda. NATO has proposed talks with Egypt, Morocco, Tunisia and Mauritania, and with Israel, about security threats posed by extremist Islamic fundamentalists. Three concerns in particular motivate

the NATO decision. Foremost is the possibility of mass migration to Europe from Algeria and other North African states whose governments are being actively opposed by Muslim militants. Europeans fear that any such population transfer would add hugely to the social frictions that many of the Continental states currently face. A second concern is that fundamentalists could become more militantly active in Europe.

Finally, there is the abiding worry that rogue states to NATO's south, most notably Iran and Libya, might acquire long-range missiles that could threaten Europe. Within NATO, the United States, France and Britain are all working on defenses against such weapons. It would be an overstatement to describe the NATO initiative as a southern strategy. But it does mark a clear and prudent departure from NATO's traditional concerns and so can be seen as a new mission. The prime movers were the Mediterranean states of France, Spain and Italy, but the consensus for the initiative underlines the seriousness with which developing events to the south are being viewed.

— Los Angeles Times.

# The Objective Should Be Palestinian Self-Determination

By Azmi Bishara

JERUSALEM — The real challenge to Middle East peace lies not in terror from radical Islam but in everyday reality. Muslims — and Christians — on the West Bank live under an occupation, with its daily humiliations, expropriations and violence.

The experience of Algeria and other Muslim nations reveals the destructive effects of modernization if an indigenous society is dismantled without a democracy evolving in its place.

Israel and the Palestine Liberation Organization were so eager to sign the Oslo peace agreements in 1993 that they may not have paused to consider this. In its struggle to save itself after the Arab order fell apart over the Gulf War, the Palestinian leadership evidently did not examine what it was signing.

It did not consider how a gradual transition to self-determination in a place as desperate as Gaza would be sustained economically and politically.

The transition was expected to be so brief that PLO Chairman Yasser Arafat would not need to

change the way he has operated since he headed the student union in Cairo in the 1950s. Unable to delegate authority, he undermines any institution he tries to establish.

Above all, the Palestinian negotiators did not question how a transitional solution would lead to a permanent one.

For their part, the Israelis were in a hurry to take advantage of the Arab world's disarray after the Gulf War. In return for recognizing a weak and confused PLO, they imposed a conception of peace that did not include Palestinian rights. Prime Minister Yitzhak Rabin lacked the foresight to realize that opponents of the peace process would view the so-called transitional solution as an invitation to ensure its failure.

Until now, Labor Party leaders have bowed to the Israeli public's opposition to concessions. They declare that they have merely got rid of Gaza — which is considered an achievement. Meanwhile, Islamic militants in Gaza remind

Israel that its negotiators have not got rid of the menace and still have to make real concessions.

In recent years, Israeli politics has shifted from a preoccupation with "state security" to "personal security." While the doctrine of state security implied personal sacrifice, that of personal security demands that the state guarantee the security of every citizen. The government can hardly keep such a promise while supporting the occupation, expanding the settlements, broadening Israel's definition of Jerusalem and maintaining the economic strangulation of the West Bank and Gaza.

Although the right wing opposes peace under any conditions, Mr. Rabin is driven by its cries — that Israel's peace offerings are repaid only by terrorism — toward embracing separation.

The Palestinians and leftist Israelis would like this separation to lead to some sort of independent Palestinian entity. Yet an imposed separation under the sovereignty of one side is more

likely to produce apartheid than a two-state solution.

Here is the catch for Mr. Rabin and Mr. Arafat. Israel has already got rid of Gaza, achieved peace with Jordan and watched its leadership participate in summit meetings in Casablanca and Cairo — making an entry into Arab space. No incentives are left for Israelis to drive the process further.

The Palestinian leadership still begs for the preliminary agreement to be put in place: for the Gaza model to be applied to West Bank cities and towns. The logical consequence of this stalemate would be the return of a Likud government, which would no doubt limit self-rule to Gaza.

But if Israeli and Palestinian leaders intend to avoid Samson's option — bringing the temple down upon themselves to kill their enemies — they have just one choice: to stop talking about the balance of power and transitions leading to more transitions, and to start talking about justice.

Until now, the Palestinians, who lost their homeland, have not received even relative justice, and a

solution that only reflects Israel's superiority will not deliver it.

Freezing settlements in the West Bank and dismantling those in Gaza would be a first step. Beyond that, the most important move Israel could make would be to allow Palestinian elections before its own elections next year, with full and free participation for all. The results would have to be respected by the international community, by Israel and by the Palestinians themselves. Then self-determination could truly begin.

Any other path will lead to apartheid, which cannot be a permanent solution but could be a prelude to a system of one person, one vote in one state for Jews and Arabs. Who knows? This may be more progressive than a two-state solution. But it would be left for the next generation to decide, only after more decades of bloodshed.

The writer, a professor of philosophy at Bir Zeit University in the West Bank, contributed this comment to The New York Times.

## Building Global Infrastructure for a Real Information Society

By Lucio Stanca

The writer is chief executive and chairman of IBM Europe.

PARIS — Whether you are a shepherd in Britain using a laptop PC to better manage your herd or a scholar in Brazil who can now access on the Internet the treasures of the Vatican library, it is clear that information technology is changing the way we live and work.

When policymakers gather this coming weekend for the Group of Seven Ministerial Conference on the Information Society, their very presence in Brussels will send an important message to the rest of the world: Governments understand that they have a key role to play in facilitating the development of a global information infrastructure (GII).

In many respects, tomorrow's information highways are already here. On the campuses of major corporations, large research universities and government laboratories, broad-bandwidth pipelines for carrying digitized information are already commonplace.

To build on these technological developments, I believe that the public and private sectors must jointly address a number of challenges at the first-ever meeting on the information society.

How do we transform this sprawling network of networks into a global information infrastructure? And, more importantly, how do we become a "true" information society where the benefits of technology can be enjoyed by all?

The potential benefits of creating a

GII are enormous. As this infrastructure evolves, there will be increased jobs, productivity and competitiveness. As information technology becomes ever more widely available and accessible, a better standard of living will be realized.

But if we are to become a "true" information society, what emerges from the Brussels meeting must reach beyond the symbolism of the moment. Governments must be willing to play a stronger role when it comes to removing existing barriers to market forces. As the Bangemann report on "Europe and the Global Information Society" pointed out, we must "put our faith in market mechanisms" and "foster an entrepreneurial mentality to enable the emergence of new dynamic sectors of the economy."

Unfortunately, when it comes to embracing information technology Europe has been reluctant to put its faith in market forces. It is unacceptable, for example, that some European Union member states have failed to meet deadlines for liberalizing telecommunications which they agreed to in Brussels.

A great debate has ensued about information technology. Is it a creator of jobs or a destroyer of jobs?

A comparison of unemployment rates in Western Europe and the United States hardly indicates that information technology results in massive job loss. Despite the huge investments in computing during the past decade, unemployment in the United States has remained fairly constant at about 5.5 percent. In Western Europe, where the investment has been smaller, approximately 11 percent of workers are jobless.

In a recently updated study on the effects of information technology on employment from the Maastricht Economic Research Institute on Innovation and Technology, the authors concluded that information technology will generate more employment worldwide than it destroys. However, they cautioned that the job creation picture on a country-by-country basis is less clear.

But what is clear, in my judgment, is that those countries that are slow to make the necessary reforms and position themselves for the future will gain less and perhaps lose in global competition.

For Europe to win in the global arena, it must rise to the challenge and embrace technology or risk falling behind the United States and the Asia-Pacific region. Europe must act with a greater sense of urgency, implementing policies that create jobs and encourage greater use of the information technology.

Europe must act now to advance:

- Changes in the regulatory environment that will increase competition, lower telecommunications costs, and give consumers confidence that individual privacy will be protected.

- Changes in labor laws that will allow for new and more flexible methods of work, such as teleworking, where people act as individual "production systems" in a decentralized, "virtual" corporation.

- Changes in attitude which will ensure that Europe does not become a two-tier society where only part of the population has access to, and is comfortable with, the new technology.

Becoming a "true" information society in which everyone has access to the benefits of technology will require an unprecedented level of partnership between the public and private sectors.

To prepare Europeans for the advent of the information society, government should lead by example and use technology to deliver services more efficiently.

Similarly, if we are to realize the benefits of converging technologies, industry must do a better job of developing open, interoperable standards that make using the telephone and a notebook computer as easy as turning on the different components of a stereo system. Only by working in partnership will we truly be able to ensure that the principles of equal access and ease of use are achieved.

International Herald Tribune.

## Out on Europe's Fringe, a Struggle to Free Britain From Its History

By William Pfaff

PARIS — The struggle to free Britain from Britain's history has produced what seems unresolvable division in the Conservative government and party of John Major.

The former chairman of the party, Norman Tebbit, told a Conservative conference recently that in a united Europe Britain would cease to be a self-governing nation, and might be forced into civil disorder to resist "unjust, odious, obnoxious and unfair European laws."

The chancellor of the Exchequer, Kenneth Clarke, replied with a vigorous defense of a European single currency, which, he said, required no "European super-state" to succeed. This was an implicit challenge to Prime Minister Major's recent move toward the anti-European wing of his party.

Mr. Major's cabinet now is out of control, divided on the measures that advance what the British

call "federal" Europe, meaning that centrally governed European Union which the French and Germans favor — at least in principle.

(Whether they really want it when it is imposed it is to be seen.)

All of this must be understood as a failure to transcend the nation's history, which makes any deep engagement in Europe or cession of sovereignty to Europe (over currency, social policy, the control of frontiers) a betrayal of England's (not Britain's) historical experience. History since the 11th century has taught that England's security and integrity lie in isolation from Europe.

The Conservative Party, in origins the party of hierarchical and agricultural interests, is the country's party of small-"c" conservatism. Margaret Thatcher's ephemeral decade of economic and social radicalism notwithstanding. Thus

it is in the Tory party that this struggle over Europe finds its enduring political expression.

The Conservatives have also been the pro-American party, at least since World War II. The paradox in the present situation is that Britain's late and reluctant conversion to European integration came about mainly because the United States wanted Britain inside Europe.

In the 1950s, London held aloof from the European movement, seeing the Community as a potentially dangerous Continental combination. That attitude invited Charles de Gaulle's veto of Britain's first bid for European Community membership in 1963. London entered the Community a decade later because Washington saw no sense in Britain remaining outside and a great advantage in having it in-

side, as a like-minded English-speaking nation with shared values and many common interests.

The principal threats to British security and integrity have always come from Continental Europe. Britain's wars before the 20th century were all with the successive great powers of Europe — France in the early Middle Ages and again in the 17th, 18th and early 19th centuries; Spain in the 16th century; the Dutch Republic in the 17th. Then came Germany in the 20th century — and Russia, in the war that did not turn hot.

Thus the Tory rebels at heart are not merely objecting to a common currency, or to the other real or (mostly) imagined harassments by Europe's bureaucracy and law that take up so much space in Britain's tabloids. It is European entanglement itself that they do not want.

Ronald Steel, the American foreign policy commentator, in a

forthcoming book on American policy, writes approvingly of Britain's mid-19th century "splendid isolation," when the nation "was not unchallenged but... was unquestionably first among only potential equals." It did not need permanent allies. Its security lay in its control of the seas and its industrial preeminence.

This splendor and preeminence seem today unrecoverable. The attempt to re-establish Britain's position through association with the United States failed during the 1950s because the United States was not interested in, nor did it need, a British auxiliary.

One might imagine a real British commitment to Europe, which could give London a leading position, but that seems extremely unlikely.

Alternatively, Britain might reconstruct an independent world role and identity (its "splendid isolation") — it is still, after all, one of the world's top five industrial, military and scientific powers. That seems equally fanciful. Yet it is what France successfully has done since 1945, making use of "Europe" to restore France's own world influence.

Britain entered Europe grudgingly, without grace, because there seemed no alternative. It goes on complaining about Europe, as if belonging to it were a defeat — which it is. But today it is hard, realistically, to see a better solution. Britain will continue to belong to the European Union, but reluctantly, and to its outer ring. Its own national self-examination has still to take place.

International Herald Tribune. © Los Angeles Times Syndicate.

## A Senator, a Secretary and American Foreign Policy

By Stephen S. Rosenfeld

WASHINGTON — A little drama of politics and manners played out the other day when Jesse Helms, Republican chairman of the Senate Foreign Relations Committee, received Warren Christopher, Democratic secretary of state, for a fourth bout of testimony in less than a month.

Even before the November elections, Mr. Christopher had sought out Mr. Helms and other Republicans in an effort to project less partisanship and more evenhandedness and to set up cordial personal ties across party lines.

After November, the secretary, a punctilious man, pondered how to draw the fabled North Carolina bomb-thrower into a web of consultation and bipartisanship on major issues (Russia, trade, Mexico, nuclear nonproliferation) and into open but fair combat on issues important to the administration where differences with the new Republican congressional majorities were likely — foreign aid, development, environment, population.

Mr. Christopher did not expect to prevail on every issue, but he thought he could make a case for bipartisan support "where U.S. interests are engaged in the long term." He was prepared to accept Mr. Helms's one-man hit on would-be ambassador to Panama Robert Pastor as a "disappointment" but "hopefully a rare exception" to the desired pattern of cooperation.

In fact, Mr. Helms surprised some observers and dismayed some of his old political friends when he came out for ratification

of the START-2 strategic arms reduction treaty with Russia. His chief of staff cited impeccable conservative grounds: "I don't think it causes us to lose any of our ability to deter." Mr. Helms delegated the policy heavyweight Richard Lugar, a former Foreign Relations chairman, to see the treaty through.

The relationship then got a little stickier when the secretary appeared before the committee and Mr. Helms embarrassed him by endorsing a State Department isolationist plan to like one that the secretary himself had once been urging but which had meanwhile been shot down, with Mr. Christopher loyally going along, by Vice President Al Gore.

Perhaps outsiders are not meant to make pronouncements on maneuvers of this kind in a body, the Senate, which prides itself on its civility, but it seemed to me that Mr. Helms was pulling a kind of kid's trick. Mr. Christopher was left bravely promising to look at whatever reorganization plan Mr. Helms would now be advancing.

Erasing the possibility that this was a matter of Mr. Christopher's discretion, Mr. Helms said issuance of a committee plan with suitable co-sponsorship would "oblige" the secretary and vice president to pay heed.

Others were left to wonder what advantage Mr. Helms sought by taking the secretary of state through such paces on a complex organizational issue

that matters most to those inside the Beltway whose bureaucratic oxen are being goaded.

The secretary went on, in his testimony, to hold out the model of Senate committee chairman that he would dearly love Mr. Helms to fill: that of Arthur Vandenberg ("a great chairman of this committee") who responded to President Harry Truman's effort after World War II to locate internationalist support among Republicans who recalled the terrible consequences of American isolationism after World War I.

The Vandenberg example of bipartisanship is always cited by presidents facing a Congress of the other party. No doubt the example is harder to invoke in today's more fluid and, for us fortunate Americans, less perilous times. But of course Mr. Christopher is right to underline the great theme of continued engagement in the world.

It is fair to ask whether his own administration has delivered. But it is impossible not to feel the global tremors set up just by the appearance in a powerful foreign policy post of someone who is widely suspected of a parochial outlook on the values and interests that energize American foreign policy.

Mr. Helms defines his critics as elitists, the international face of the effete crowd that he finds degrading American society and culture at home. He positions himself as the common man's foreign secretary, a spokesman for global decency. But it is a pose ill-suited to the chairman's responsibility for balance and the nation's requirement for openness.

This is why others are bound to pay attention to the way he treats the secretary.

The Washington Post.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1895: Scapegoat Envoy

TIENTSIN — It is generally believed here and in Peking among the higher officials, that Li-Hung-Chang's honors have been restored to him only temporarily in order to make him acceptable to Japan as the Chinese peace envoy. It is expected that on the completion of his mission he will be made the chief scapegoat of China's misfortunes whether he is successful or unsuccessful in obtaining fair terms from the enemy.

### 1920: Forging in Prison

KANSAS CITY — Louis Osterweiss, of Connecticut, was found guilty today [Feb. 19] in the U.S. District Court of Kansas City, Kansas, on a charge of conspiracy to print and circulate fraudulent Treasury certificates. The certificates in question were declared to have been printed in the printing

### office of the U.S. disciplinary barracks, Fort Leavenworth, Kansas.

### 1945: Now Iwo Jima

PARIS — [The Herald says in an editorial:] Under a tremendous curtain of naval, air and artillery bombardment, the 4th and 5th Marine Divisions have landed on Iwo Jima and still another of the desperate actions of the Pacific war is under way. For the U.S. Marines it means death, agony, great fear and a great hour that will ultimately be forgotten by all save those who were there. For the Japanese it means annihilation — the end in terror and pain and helplessness for those who were appointed by the empire to die in this abandoned spot. For history it will mean a minor passage in a terrible symphony — just another island taken, another step effected in the majestic advance upon the citadels of the enemy.

## International Herald Tribune

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OPINION/LETTERS

# Fresh Iraqgate Whitewash, Laid On in Footnote No. 71

By William Safire

WASHINGTON — Janet Reno's wrongheaded refusal to appoint an independent counsel in the Iraqgate scandal has just cost the U.S. taxpayer an additional \$400 million. She decided last week to make this huge payoff to Italy's Banca Nazionale del Lavoro, which used U.S. guarantees to finance Saddam Hussein's building in the late '80s.

President Bill Clinton's attorney general, who airily told us "I have no conflict on Iraqgate," made certain no impartial special prosecutor would disturb the Justice establishment. She assigned her longtime Florida aide, John Hogan, to demonstrate that \$5 billion of loans guaranteed by the U.S. Department of Agriculture passed through

Thus we learn that the attorney general's \$400 million decision relied completely on interviews taken earlier by agents of the Bush administration's patsy prosecutors.

an Atlanta branch of BNL with the bank's Rome headquarters blissfully ignorant.

Within six weeks, Mr. Hogan argued in the Atlanta courtroom of Federal Judge Marvin Shoob that "no conspiracy" existed to wrongfully use agricultural credits as a backdoor method of financing Saddam, a noncreditworthy borrower, before the Gulf War.

The judge said the claim that BNL-Rome was the victim, not perpetrator, was "in Never-Never Land." Ms. Reno's aide spent the next 18 months justifying his snap judgment and absolving Hogan's heroes.

In Florida, former President George Bush hailed the latest 119-page whitewash as final refutation of Iraqgate charges by "Safire, Kopel, The Los Angeles Times and the national media." Let's see if published charges were laid to rest.

1. Did James Baker at State, with guilty knowledge of the corruption in Iraq's use of U.S.-guaranteed funds, manipulate the agriculture secretary to ignore credit requirements?

Because internal memos pointing to this misfeasance were cited in this space, I asked Mr. Hogan if he interrogated Mr. Baker, aide Robert

Kimmitt, Agriculture's Clayton Yeutter, and eight others under oath.

Of course not. In a damning footnote that destroys the credibility of his entire report, Mr. Hogan admitted he "concluded it was unnecessary" to take testimony from "former high level officials."

Thus we learn that Janet Reno's \$400 million decision relied completely on interviews taken earlier by agents of the Bush administration's patsy prosecutors. As one of the key employees at Justice's Criminal Division never interviewed by Mr. Hogan about BNL tells me, "You will never know the answers."

2. Did the Italian government interfere with Bush Attorney General Dick Thornburgh to circumvent the Criminal Division and "raise this to a political level," as a cable of the Italian ambassador reported?

Follow-ups unanswered: Did Mr. Hogan ask Ambassador Rinaldo Ossola under oath if he talked to Mr. Thornburgh at the White House, as the ambassador's cable suggests? Was Mr. Thornburgh, who denies the approach to reporters, asked about it under oath? Was Ed Dennis, chief of the Criminal Division, asked under oath why he sent a report on the BNL affair to Mr. Thornburgh just two days before the denied White House approach? Was a single-subject grand jury ever impeached?

Answers to all: Forget it. Reached by telephone with these questions, an agitated Mr. Hogan replied: "I have an appointment now with Attorney General Reno. I'll get back to you." He never did. Spokesman Carl Stern will issue an official smirk.

3. Did the CIA in Rome keep reports of BNL-Rome's knowledge from Justice's investigators?

At Washington Justice's wrongful urging, the CIA sent an untruthful denial of higher-up involvement to Atlanta prosecutors. To this day, Justice covers its posterior by holding that CIA obfuscations "preclude complete confidence that we have seen all relevant records."

Before the \$400 million goes down a corrupt Italian drain, Senate Intelligence co-chairmen Arlen Specter and Bob Kerrey should report on what the CIA in Rome knew about high-level BNL involvement.

If no wrong was done, why can't our questions be answered? Who can be satisfied with a two-year investigation that serenely admits it did not ask one high Bush official one embarrassing question? (Revisionists note footnote 71, page 91 of this classic of investigative ineptitude.)

President Clinton's BNL bail-out makes him a \$400 million participant in Iraqgate, a scandal that candidate Al Gore called "worse than Watergate."

Moral: When independent councils are avoided, cover-ups succeed. The New York Times.



## LETTERS TO THE EDITOR

### The Scourge of Land Mines

In response to "Anti-Personnel Mines" (Opinion, Feb. 9):

The editorial, which applauds President Bill Clinton's efforts to deal with the scourge of anti-personnel mines, tells only part of the story. The U.S. Congress has yet to ratify the 1981 United Nations convention that is the only legally binding international instrument aimed at curbing the inhumane and indiscriminate use of land mines.

Later this year the first review conference of the weaponry convention will take place in Vienna. It will offer a unique opportunity to strengthen the existing rules and promote worldwide adherence to the convention.

If the United States does not ratify the convention soon, it risks being a bystander at the review conference.

Regarding the U.S. proposals for restriction of production, stockpiling and export of certain classes of anti-personnel mines, the envisaged measures are only of a politically hindering nature. Other countries, such as Australia, the Netherlands and Sweden, are calling for similar but legally binding commitments in the framework of a beefed up UN weaponry convention. Why stop halfway?

A. M. DE JONG,  
Arnhem, Netherlands.

### A Peace Role for Jordan

The peace process between Israel and the Palestine Liberation Organization is running out of steam and creating more problems than solutions, most pernicious by-product, however, is that it is deeply shaking grass-roots belief in the usefulness and longevity of any comprehensive settlement between Israel and Palestinians.

Resolving the complex issues underlying the peace talks is by no means an easy task. But the Israeli government's choice of Yasser Arafat as its partner in the process largely accounts for the lack of progress.

The Palestine Liberation Organization has failed to reform itself. Most importantly, the frequently amended Constitutional Document of December 1993 contains no mechanisms to create constitutional democracy. Nor did its drafting process provide means for popular Palestinian deliberation. The delay in disbursement of promised aid is largely due to Mr. Arafat's ineptness in institutionalizing adequate measures of financial accountability.

More ominously, the PLO chairman's style of leadership is being institutionalized in the territories. Patronage and paternalism are seeping into "Arafat's Palestine." Traditionally popular leadership is being marginalized and exchanged for a more "Arafat-friendly" one.

Mr. Arafat is deeply unpopular among Palestinians in the diaspora, especially because of his support for Saddam Hussein following the Iraqi invasion of Kuwait.

Why insist on Mr. Arafat as a full partner in a clearly doomed process? Instead, the historical role of Jordan in the West Bank has to be revisited in the most earnest manner. Jordan's erstwhile civil and religious role in the territories evokes memories of stability and content. Of all Arab leaders and representatives, King Hussein enjoys special esteem among a large proportion of the Palestinian people. And he is a true believer in coexistence of Arabs and Israelis.

In response to the tragic bombing at Beit Lid, Prime Minister Yitzhak Rabin admirably declared that there is no alternative to the path to peace. But there is an alternative to the highly risky path of peace with Mr. Arafat and his organization.

With its manning political system, demographic component and devotion to regional prosperity, a strong Hashemite kingdom encompassing the two banks of the River Jordan presents a genuine hope for a stable and prosperous region. At such a difficult, heartening time, the remedial Jordanian role under King Hussein should not be neglected or underestimated by those who are seriously interested in achieving lasting peace.

LU'AYY AL-RIMAWI,  
London.

# The Fulbright Contribution To the Survival of Mankind

By Joseph Duffey

The writer is director of the United States Information Agency, which administers the Fulbright Program.

WASHINGTON — J. William Fulbright's crowning achievement came in the earliest days of his long and distinguished Senate career. Only two weeks after the first atomic bomb destroyed the city of Hiroshima, Mr. Fulbright sponsored legislation creating the international educational exchange program which bears his name. The program was his pride and consolation for 50 years.

The exchange program is the thing that reconciles me to all the difficulties of political life," he once said. "It's the only activity that gives me some hope that the human race won't commit suicide."

Bill Fulbright continued to actively promote his exchange program well into his ninth decade,

across the face of the earth since the 15th century."

Many foreign Fulbrighters have returned home to become prime ministers, cabinet members, diplomats, newspaper editors, and academics. Some, like the United Nations secretary-general, Boutros Boutros Ghali, have gone from national to international prominence. American Fulbrighters have included university presidents Derek Bok and Hannah Gray, economist Milton Friedman; scientist Joshua Lederberg; historian Henry Steele Commager; authors John Updike and Eudora Welty; musician Aaron Copland; actor Stacy Keach; and politician Daniel Patrick Moynihan, among others. They have also included not-so-well-known Americans — hundreds of elementary and high school teachers who have exchanged classrooms with foreign counterparts for a year and returned home to broaden the views of their students.

Inspired by the value and generosity of this U.S.-funded program, some of the 130 countries where the exchange operates now contribute up to half the funds needed to run their individual programs.

In 1984, more than 100 former Japanese Fulbrighters returned to the United States on what they called a "sentimental journey," bearing a gift of \$1.6 million they had raised to bring more American Fulbrighters to Japan. Some in this Japanese delegation had studied in the United States immediately after the war. Said one who went on to become Japan's ambassador to the United States: "In those days, just after the Occupation, there were articles in the Japanese press which were very anti-American. After living in the United States for a year, I simply couldn't believe those arguments."

Last spring, Fulbright staff at the U.S. Information Agency and the Institute of International Education worked tirelessly to find and bring two Rwandans out of refugee camps in Zaïre to take up scholarships at Oregon State University and the Berkeley School of Music in Boston.

In his book "The Price of Empire," published in 1987, Bill Fulbright wrote: "It is a modest program with an immodest aim — the achievement in international affairs of a regime more civilized, rational and humane ... I believed in that possibility when I began. I still do."

Others do, too. The people in Mr. Fulbright's hometown in Arkansas endorse the vision of the world he brought them and the importance of the program he sponsored. In a flower garden in the Fayetteville town square is a bust inscribed with these words: "In the beauty of these gardens, we honor the beauty of his dream: peace among nations and the free exchange of knowledge and ideas across the earth."

International Herald Tribune.

## MEANWHILE

even from a wheelchair. He never stopped believing in the program's purposes and always spoke about them powerfully and eloquently.

In recent years, even as he was less prominent on the public stage in his own land, other nations on every continent continued to bestow on him their highest honors. They recognized that his program had helped to educate several generations of leaders around the globe. Mr. Fulbright's name has become part of the world language. Speak in India or Japan or Sweden of a "Fulbrighter" and the reference has widespread instant recognition.

In 1945, the freshman senator from Arkansas looked out on the devastation of World War II and on the new atomic age. He took seriously the admonition of Albert Einstein: "We must acquire a substantially new manner of thinking if mankind is to survive." Remembering his own experience as a Rhodes scholar, Mr. Fulbright reasoned that people and nations had to learn to think globally if the world were to avoid annihilation.

He believed that if a larger number of persons came to know, understand, work and learn beside their counterparts in other cultures, "they might," he said, "develop a capacity for empathy, a distaste for killing other men, and an inclination for peace."

His legislation establishing the Fulbright Program slipped through the U.S. Senate without debate. Its first participants went overseas in 1946, funded by war reparations and foreign loan repayments.

Since then the program has brought more than 120,000 foreign nationals to teach, study or do research to the United States, and sent more than 90,000 Americans overseas to do the same. The master of Pembroke College, Oxford, once called this "the largest and most significant movement of scholars

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# Style



Nygards-Anna Bengtsson with knits, dresses in natural colors and fleece vest.

## A North Wind in Fashion

By Suzy Menkes

STOCKHOLM — Swedish interior design has an international image — capturing in birch wood, pewter and glass the essence of Nordic style.

Can the same elements — clarity of light, fresh-as-paint color and the textures of natural materials be distilled in clothing?

The Stockholm Fashion Fair over the weekend set itself a different agenda: to offer a synthesis of modern trends for men, women and kids.

That means the casual wear, spiced with current style, that was worn by the crowd surging Saturday through Hennes & Mauritz — Sweden's best-known contribution to fashion after the Hasselblad camera.

"If there is a Swedish style, I cannot identify it," says Stefan Persson, chairman of Hennes & Mauritz and son of its founder. He has taken fast fashion at low prices into nine European countries, pushing group sales up 21 percent to 11.5 billion Swedish kronor (\$1.55 billion) in 1993.

"But it is not our ambition to have a Swedish image," insists Persson. "Sweden is famous for many things — but not fashion."

The opposing view is found inside the modern fair complex, where 28 year-old Nygards-Anna Bengtsson (the prefix from the country farm of her childhood) sits at a round wooden bread table, worn by the pounding of human hands.

"I try to find my inspiration from Sweden," she says of her graceful knits and dresses in natural colors. "It is about a very simple beauty that does not need anything extra, that grows more beautiful with age and time."

"Swedish design has a simple cleanliness. I work with simple shapes and colors I borrow from the designer of planet earth."

This should be prime time for Swedish fashion, for a North wind has blown away the ba-

roque Latin extravaganza of the 1980s.

The gull-wing gray and ice blue of Stockholm's winter sky are high-fashion colors. Ecology is a fashionable cause. And in Sweden that means more than shoppers gift-wrapping their own purchases in recycled brown paper.

Marc O'Polo's active casual wear has been developed on the image of "Nature's Simplicity" and its "Raw" collection, introduced in 1991, has chunky sweaters and separates that are chemical- and synthetic-free — right down to the coconut-shell buttons.

"We like a lot of tradition, long-lasting clothing not following trends to the bitter end," says Ake Hellqvist, managing director of Marc O'Polo, which is 70 percent German-owned and distributed through northern Europe.

Significantly, Sweden's successful fashion exporters seldom penetrate southern Europe. Hennes & Mauritz is primarily in Scandinavia, Switzerland, the Netherlands, Belgium and, since 1994, Austria. Chief designer Margareta Van Den Bosch, who directs Hennes & Mauritz's design in the studio known as the "White Room," talks about the pragmatism of Swedish women and the demand for practical, functional clothes that define "Northern style." Large-size fashions, children's wear and menswear are all divisions within the group.

For Ingrid Gieritz-Martenson, director of the Swedish Fashion Council, the country's fashion identity is defined by its rigorous religion, its social democracy and by the fact that 90 percent of women are working. "The Lutheran tradition means that clothes are toned down, not flashy or outgoing," she says. "Fashion in Sweden reflects what we feel is necessary for a good life. And life for women is full of responsibilities. How we look from an aesthetic point of view is not so important."

Form and function is the message from designers who

pare down style, avoid decoration and claim that the first question consumers ask is, "Will it wash?"

The dusty pink and pale blue knits and the cool dark tailoring of Anna Holtblad represent Swedish style. Last week, she won the Nordic Design Prize for 1995, awarded by the Fashion Fair and by the NK department store — a conglomeration of designer fashion units.

"Most women work and have children and busy lives — they can't have complicated clothes," says Holtblad, 34, who founded her company in 1986 and offers cardigan jackets and coats with "dry" surfaces, lighted with fresh color and a touch of shiny vinyl.

At the Fashion Fair, designers at the runway show included Charlotte & Morgan's sleek tailoring in tactile fabrics; Pernilla Forsman's simple knits; and high-octave glamour from Lars Wallin, who says, "It is time for Swedish women to dress up at least a little."

Stockholm's lively young nightlife and NK's flashy, trashy Las Vegas-inspired fashion show (complete with pastel-pink poodles, shiny plastic and marabou feathers) may be signs that Swedes are ready to break out.

But fashion designers have a pathological fear of ornamentation, excess and fantasy.

"You can see a bridge be-

tween Japanese and Swedish design — both are abstract and modern, but I also like some poetry in clothes," says Elisabet Yanagisawa, with a Japanese-Swedish background. She works on reversible designs including shearing coats that are washable.

For fantasy, Swedish designers have a cultural heritage: the wild Viking past; colorful folk-lore seen in traditional patterned knits and in the regional costumes displayed at the Nordiska Museet. There are also the modern graphic prints of Josef Frank from the 1930s or Marimekko in the 1960s.

Annika Warberg, working in vividly colored mohair and fine linen, is one designer who is inspired by the Vikings. She also works with African craft-people to create jewelry and ethnic fabrics.

The lack of an innovative textile industry may explain why interior designers can capture in glass the green of Stockholm's tiled roofs or make a stylish linen tablecloth using Sweden's signature yellow and blue — while Swedish fashion design remains basic and minimal.

Gieritz-Martenson has an explanation for why home is where the art is in Sweden. "The home means a lot to Swedish people because for a great part of the year you have to stay inside because it is too cold and too dark," she says. "The home is important to give a frame of warmth and harmony."



Clockwise from top left: Anna Holtblad, right, and model in knit jacket and skirt with vinyl top; simple knit from Pernilla Forsman; Annika Warberg, right, in Viking-inspired mohair dress, and velvet pantsuit by Marc O'Polo.

## BOOKS

### GREAT TIME COMING: The Life of Jackie Robinson, From Baseball to Birmingham

By David Falkner. 382 pages. \$25. Simon & Schuster.

Reviewed by Jonathan Yardley

LATE in 1945, only a few weeks after signing a contract with the Brooklyn Dodgers' minor-league affiliate in Montreal, Jackie Robinson went off to Venezuela on a barnstorming tour with other stars of the Negro Leagues. One of these, Gene Benson, who often had played against white major-leaguers on postseason tours, was asked to impart some of his knowledge to Robinson, in the hope that this would help prepare him for the hard task that lay ahead for him as the first black big-leaguer. This led, Benson recalled, to many conversations: "We talked about everything, not just baseball, all the time. What I found that I didn't really know before I met him was that he was a great race man. Jackie Robinson was signed because of his personal self. But they didn't really know what they meant by that. He was high-strung, so much so that he paid with his life to go through what he had to. It caused him an early death because he just blew up inside. But Jackie was a man who would do anything to help one of his own. That was his secret, you understand? He

### WHAT THEY'RE READING

● Raymond Blanc, a French chef in England, is reading "The Man Within," a biography of Graham Greene by Michael Sheldon.

"This is a book that illustrates the problems of being Catholic. For a long time, I have been a 'failed Catholic' and I loved the sections on the 'guilt of pleasure.'"

(John Brunton, IHT)



For the biographer or historian, the problem with this life is that it involves sport, which is regarded in most scholarly quarters as frivolous, and race relations, which is not. The great influence that Jackie Robinson exerted in important aspects of American social life derived not from his oratorical powers or his political strategies but from his spectacular performance on the field of play. Historians and social commentators find this difficult to reconcile, though in recent years the rise of popular culture as an area of legitimate scholarly inquiry — in many other respects a decidedly mixed blessing — has provided ways of dealing with the apparent contradiction.

Falkner is a journalist rather than a historian, and a sports journalist to boot, and he betrays no small discomfort in moving back and forth between these ostensibly polar opposites of Robinson's life. Though he certainly deserves praise for declining to write a game-by-game, play-by-play sports biography, his self-evident determination to portray Robinson as part of "a larger struggle" than mere baseball leads him to play up relatively minor aspects of Robinson's off-the-field life and to play down, if not minimize, the pure athletic skills that made it possible for Robinson to seize and hold the nation's attention.

Jonathan Yardley is on the staff of The Washington Post.

## By Robert Byrne

JEFF MITCHELL beat Tim Hanke in the Pan-American Intercollegiate Championship. The Benko Gambit, 3...b5, is positionally motivated. After 9 Nf3, what Black is aiming for can be glimpsed: He has two half-open files on which to mount pressure with his rooks against the a2 and b2 pawns and this is augmented by the latent force of the black king bishop on the b5/a1 diagonal.

Modern Chess Openings, 13th Edition, recommends that Black play 9...Nb7! 10 O-O Nb6 11 Re1 O-O 12 B4 Ne4, with the plan of probing for weak squares in the white formation. Thus, White does not want to advance with e4 because then the d3 square may be infiltrated by an enemy knight.

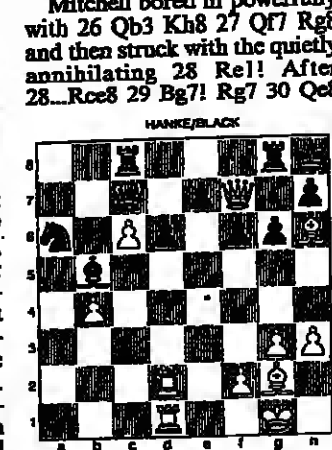
After 13 Qc2, Hanke prematurely advanced 13...c4?!, a committing move when he had not yet defined a target. Worse still, he lost control of the d4 square and Mitchell pounced on it at once with 14 Nd4!

True, Hanke got his own knight outpost with 14...Ne5, but that was nothing compared to Mitchell's 15 Ne6. 15...ab3 threatened a powerful link-up of forces with an eventual b4 and b5. On 18...Ne5, he could have played 19 b4 immediately because 19...Ned3? 20 ed Bd3 21 Qd2 Bc3 22 Qc3 Bb1 23 Bb6 would cost Black both material and position. Of course, there was nothing wrong with Mitchell's slower buildup, 19 Rd1.

There wasn't much, Hanke could do. In playing 19...Nc6 20 dc Bc3 21 Qc3 Bc2, he did get

his gambit pawn back, but after 22 Bb6, Mitchell's positional advantage and attack were too much for any defense. If 22...c5, Mitchell could have played 23 Rd5, when 23...Ra3 24 Qd2 Ba6 25 b4 Ne4 26 Rd6 yields him an overwhelming position.

Mitchell bored in powerfully with 26 Qb3 Kh8 27 Qf7 Rg8 and then struck with the quietly annihilating 28 Re1! After 28...Rc8 29 Bg7! Rg7 30 Qc8

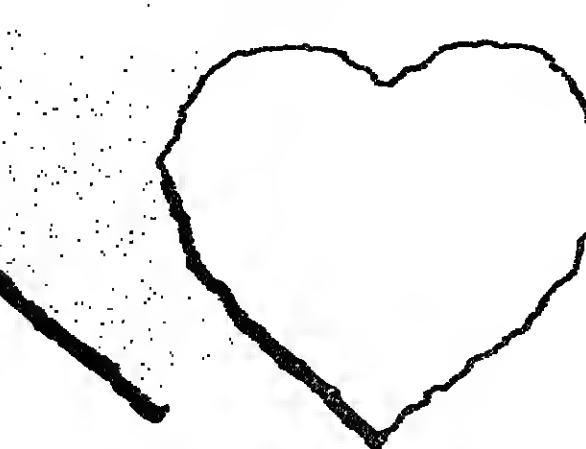


Position after 27...Rg8

Rg8 31 Qe7, the black position was destroyed. Hanke staggered on until 38 Ra8 threatened 39 Ra6 and 40 c8/Q and then gave up.

BENKO GAMBIT			
White	Black	White	Black
1 d4	Nf6	20 de	Bc3
2 c4	g5	21 Qc3	Bc2
3 e5	g4	22 Bb1	Rg7
4 Bc3	g3	23 Bb1	Rg8
5 Nf3	g2	24 Bb1	Rg8
6 Bc3	g1	25 Bb1	Rg8
7 Bc3	g1	26 Bb1	Rg8
8 Bc3	g1	27 Qf7	Rg8
9 Nf3	O-O	28 Re1	Rg8
10 O-O	Ne7	29 Bg7	Rg8
11 Bc3	Ne7	30 Qc3	Rg8
12 Re1	Nf6	31 Qc3	Rg8
13 Qc2	Ne5	32 Qc3	Rg8
14 Nf3	Ne5	33 Qc3	Rg8
15 Nf3	Ne5	34 Qc3	Rg8
16 Nf3	Ne5	35 Qc3	Rg8
17 Bc3	Ne5	36 Qc3	Rg8
18 Rd1	Ne5	37 Qc3	Rg8

## Winners of the 1995 Valentine Classified Message Contest



First Prize  
**\$250**  
Alix d'Anglejan  
Chailion,  
Paris, France.

Second Prize  
**\$150**  
D.B. King  
The Hague,  
Netherlands.

Third Prize  
**\$75**  
E.J. Wagner  
Aberdeen,  
Scotland.

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THE WORLD'S DAILY NEWS SPAPER









**THE TRIB INDEX: 110.02**  
International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



**World Index**  
2/21/95 close: 110.02  
Previous: 109.50

**Asia-Pacific**  
Approx. weighting: 32%  
Close: 118.41 Prev. 116.73

**Europe**  
Approx. weighting: 37%  
Close: 117.50 Prev. 117.98

**N. & S. America**  
Approx. weighting: 26%  
Close: 98.85 Prev. 98.86

**Latin America**  
Approx. weighting: 5%  
Close: 75.75 Prev. 76.40

**World Index**  
The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and other major financial centers. It is composed of the 20 top issues in terms of market capitalization, otherwise the top 100 issues are tracked.

**Industrial Sectors**

	Max. Close	Prev. Close	% Change		Max. Close	Prev. Close	% Change
Energy	114.15	114.57	-0.37	Capital Goods	110.45	110.61	-0.14
Utilities	110.67	111.73	-0.77	New Materials	128.89	128.79	+0.08
Finance	110.48	110.55	-0.06	Consumer Goods	104.57	104.60	-0.03
Services	105.08	106.46	-0.73	Miscellaneous	115.89	117.85	-1.50

For more information about the index, a booklet is available free of charge. Write to Trib Index, 161 Avenue Charles de Gaulle, 92527 Neuilly Cedex, France.

## Nextel And Dial Complete Merger

Compiled by Our Staff From Dispatches

**GREENVILLE, South Carolina**—Dial Page Inc. said Monday it would be acquired by Nextel Communications Inc. for between \$260 million and \$359 million in stock, far below the \$768 million maximum price announced in August when Nextel shares were worth considerably more.

Dial Page, a leading wireless provider in the Southern United States, also said it would sell its paging business to MobileMedia Communications Inc. for \$188.5 million.

Nextel specializes in advanced digital mobile networks and is building a U.S.-wide system.

Since Aug. 4, the day before the Dial-Nextel deal was announced, Nextel shares have dropped 53 percent amid concern that the company's attempt to build the new nationwide mobile phone network would fail.

On Friday, Dial Page's shares closed unchanged at \$12, while Nextel's fell 25 cents to \$12, both on Nasdaq. New York stock markets were closed Monday.

Under the agreement, Dial Page shareholders would receive 1.07 shares Nextel common shares for each Dial Page share outstanding at the time of the merger. Dial Page has 20.26 million shares outstanding. At Nextel's current share price, the transaction would be worth about \$260 million.

But the value of the merger still could rise to as much as \$359 million if Dial Page completed certain agreements with other companies and if Nextel shares rose. The merger is also subject to stockholder and regulatory approval.

(Bloomberg, Reuters)

## Shougang Rattles Market Investors Dump Firms With China Ties

By Kevin Murphy  
International Herald Tribune

**HONG KONG**—While local stocks ran hot and China's skies looked particularly blue last year, investors happily paid a premium for Hong Kong-listed Chinese companies with *guanxi*, or political connections.

But suddenly, after a mysterious arrest and shake-up in the top ranks of one of China's largest state-owned enterprises, Shougang Corp., these companies have become less fashionable than Mao suits.

Investors dumped the so-called red chip stocks Monday, selling off a wide range of the locally listed companies conducting the bulk of their businesses in China, where a credit squeeze gives firms with freer access to capital a strong competitive advantage.

The benchmark Hang Seng Index lost 1.69 percent, to 7,906.74 points, led by companies with close ties to China's government.

As Beijing prepares for the jockeying among the 91-year-old Deng Xiaoping's would-be successors, investors fear there may be more casualties in the boardrooms of China's highest-flying companies, including those where Mr. Deng's family holds court.

"People are looking at the political risk factor in these companies, and they don't like what they see now," an analyst said. "There is a great deal of uncertainty around."

Whether Mr. Deng's passing sets off an interregnum struggle for influence or a get-tough stance on corruption and misappropriation of state assets, analysts said neither boded well for state-backed Chinese companies who had come to Hong Kong searching for cash and greater autonomy.

Many such firms have been allowed to list in Hong Kong by Chinese authorities only

because executives closely linked to Beijing's senior leadership run them.

Often, they gained access to the Hong Kong market by taking over small local companies and transforming the shells into aggressive, China-focused companies in 1993 and 1994. Occasionally they benefited from local tycoons such as Li Ka-shing, whose flagship Cheung Kong (Holdings) Ltd. assisted in the purchase of Shougang International, once named Tung Wing Steel.

The market reacted strongly Monday to reports that Zhou Guanwu, the chairman of Shougang Corp., had resigned last week after his son, Zhou Beifang, chief executive of Shougang's Hong Kong operations, was arrested for unspecified "economic crimes."

China's official Xinhua news agency carried reports that said the younger Mr. Zhou's crimes were not related to the Hong Kong subsidiaries, which are mostly involved in trading and investment.

The elder Mr. Zhou, 77, who had spent five decades with Shougang, also known as Capital Iron & Steel Works, attributed his resignation to his age.

"I'm 77 this year, and I have been feeling that my energy is flagging by the day," Xinhua quoted Mr. Zhou as saying in a dispatch late Sunday. "Shougang has been developing fast, yet my physical strength and energy are declining, and I'm no longer competent at the job."

But local newspaper reports suggested that the company's purchases of offshore assets, including an iron mine in Peru, for premium prices were being investigated as part of a crackdown on staggering flows of capital out of China.

The reversal of fortune at the helm of See SHOUANG, Page 15

## EU Speeds Plan For Moving to Single Currency

By Tom Buerkle  
International Herald Tribune

**BRUSSELS**—The European Commission promised Monday to speed up preparations for a single currency even as Britain and Germany sought to cool speculation about an early monetary union.

Jacques Santer, the commission's new president, told a meeting of European Union finance ministers that the commission would produce an advisory paper by June on the technical preparations that banks, other financial institutions and consumers would have to make before swapping francs, marks and crowns for EU money.

Previously, the commission, the EU executive agency, promised the paper by the end of the year.

Kenneth Clarke, the British chancellor of the Exchequer, repeated his contention that a single currency would not be possible before 1999, the latest date specified in the Maastricht Treaty on European Union.

"But that said, I agree that the technical preparations should go ahead," he said, a comment that could inflame die-hard opponents of a single currency to Britain's governing Conservative Party.

In Bonn, meanwhile, Chancellor Helmut Kohl suggested that speculation about timetables had been driven by political considerations in Britain. He said Germany's "absolute priority" was for countries to meet the Maastricht criteria on inflation, deficits and interest rates.

Hans Tietmeyer, president of the Bundesbank, said last week that he could not imagine a majority of EU countries meeting the criteria at the end of 1996—the treaty requirement for adopting a single currency by 1997.

Mr. Santer has carefully avoided the timetable debate, but he is eager to ensure that enough countries meet the criteria, squabbles over banknote design or consumer reluctance do not stand in the way of a single currency.

"The Green Paper will be intended to prepare the wider public for the transition to the single currency," he told the ministers.

## IG Metall Says It Plans Warily for Strike

**FRANKFURT**—The IG Metall union said Monday it was planning carefully for the strike it expected to start Friday, saying that otherwise it could risk retaliatory lockouts all over Germany.

It said its aim in the dispute would be to cripple selected employers—particularly small and medium-sized tool-making companies—while being extremely careful not to hit companies that make important items for other companies.

Thousands of metalworkers streamed to the ballot boxes Monday to vote on strike

action in defense of a 6 percent pay raise request. Around 165,000 workers at 628 companies in the southern German state of Bavaria were voting on whether to hold the first full-blown strike in the major industrial sector in 11 years.

Under the union's strategy plan, major companies such as carmakers Audi AG and Bayerische Motoren Werke AG would not be targeted because they were linked to too many other sectors. "That would seal our own death," said Michael Knuth, a spokesman for IG Metall.

Although the union is only legally al-

lowed to strike at companies where a ballot has been held, employers can lock out workers at any factory where production has been halted by strikes elsewhere, even outside the strike area.

The names of companies that would be hit by strikes is still secret, but 130 companies with at least 240,000 employees each have been listed as possible targets.

Economists said a focused strike should limit the impact on the economy, although production could fall around the period in which production is halted.

## Kaufhof Stuck With Travel Unit

**FRANKFURT**—Kaufhof Holding AG said Monday the Federal Cartel Office had blocked the planned sale of its ITS tourism unit to Touristik Union International GmbH.

Kaufhof said it was in talks with other parties interested in buying its International Tourist Services Lnderreisecost GmbH unit.

The Sueddeutsche Zeitung reported Monday that the deal had collapsed after Touristik Union and Kaufhof had failed to agree on a price.

Analysts said the struggle to unload the tourism unit underscored the failure of Kaufhof's plan to diversify its department-store holdings into the travel industry, which has been booming in Germany.

Kaufhof operates more than 1,000 outlets offering services and products including apparel, specialty stores and restaurants.

"They are in a rather shabby stage," said Michael Wand, an analyst at Paribas Capital Markets in London. "This is bad news for the whole company."

When Touristik Union and ITS announced the proposed deal in late December, it was welcomed by industry analysts because Kaufhof would be leaving an unprofitable operation.

ITS, the fifth-largest travel operator in Germany, had domestic travel sales of 1.3 billion Deutsche marks (\$876 million) for its financial year to Oct. 31.

But the unit posted losses of between 30 million DM and 40 million DM, in part because it had relatively weak negotiating power with hotels and air carriers because of its small size.

## Thinking Ahead / Commentary

### The G-7 Is Becoming a Cold-War Relic

By Reginald Dale  
International Herald Tribune

**WASHINGTON**—One of the specialties of the Group of Seven industrial countries is supposed to be crisis management. Yet when Mexico plunged toward financial ruin, the G-7 was nowhere to be seen.

When it finally met, the first thing it had to do was deal with recriminations between Washington and its European allies over how the crisis had been handled.

The stumbling performance was yet another sign, if one were needed, that the 20-year-old G-7 is increasingly irrelevant to the demands of today's global economy. It added weight to recent calls for a new form of collective world economic leadership.

The G-7 countries—the United States, Japan, Germany, France, Britain, Canada and Italy—have promised to start tackling the problem at their annual summit meeting in Halifax, Nova Scotia, in June, but they are unlikely to get very far.

Briefly stated, the problem is that the G-7 is both increasingly ineffective and less and less representative of the new power alignments in the global economy. But it is hard to make the group more representative without making it even more ineffective.

Now that the Cold War is over, Russia and China need to be integrated into the world economy and given a say in its leadership. But their addition to the G-7

would make agreement even more difficult than it is now.

Never before, Henry Kissinger has written, have we tried to develop an international system with so many powerful players that share so few values. And that's not counting other leading develop-

**The group is both increasingly ineffective and less and less representative of the new power alignments in the global economy.**

ing countries in Asia and Latin America that have a claim to representation.

Unfortunately, many of the suggestions for resolving the conundrum are politically unrealistic. One such nonstarter, a proposal for a United Nations economic security council, has just been delivered after much time and labor by a Commission on Global Governance, co-chaired by Swedish Prime Minister Ingvar Carlsson and Shridath Ramphal, former secretary-general of the Commonwealth.

There is no way that the United States, in the current American political climate—or perhaps ever—is going to let the world economy come under even token UN supervision. Nor should it. That would be a recipe for disaster.

A much better approach is offered by Peter Sutherland, director general of the World Trade Organization, who wants the G-7 expanded without creating any new international bureaucracy.

Like most others, Mr. Sutherland chickens out of actually naming new G-7 members. But it is easy enough to draw up suggestion lists.

Ideally, the current group should be streamlined by allocating the European Union a single seat—though this may not be politically possible just yet. One could then imagine adding Russia, China, India, Brazil, perhaps Indonesia and possibly even South Africa.

It could be done gradually. Russia now attends only part of the proceedings. For a start, China and the leading developing countries could be invited to send envoys.

Additionally, Mr. Sutherland says the expanded group should be closely supported by the International Monetary Fund, the World Bank and the WTO, which would help to execute its agreed strategies. That would be one way of giving the group greater analytical ability and a much-needed institutional memory. Another would be a permanent secretariat.

Nothing would prevent the current G-7 countries from continuing to meet separately as a smaller, informal grouping. But as economic power shifts to the new players in the global economy, the G-7 will have to change with the times or risk being marginalized as a Cold War relic.

## Mark Washes Over Its New Obstacles With U.S. Busy in Mexico, Investors Flock to Germany

By Nathaniel C. Nash  
New York Times Service

**BONN**—The threat of a strike by German metalworkers or a wage settlement that might prove inflationary seems to add up to a script for investors to sell the Deutsche mark.

But instead, the mark on Monday continued its rise of last week against the dollar and other European currencies, closing at the highest level since October 1992 against the dollar and at

historic highs against a basket of currencies of 18 industrial countries.

The dollar fell to 1.4740 DM in Europe, down from 1.4844 DM on Friday and the lowest level in more than two years. Trading was light in Europe, and markets in the United States were closed for a holiday.

As the dollar falls over fears of high costs to the United States because of the rescue of the Mexican economy, as the pound falls because of lack of confidence in John Major's government, as the Italian lira falls over concerns about runaway budget deficits and as the yen struggles after the Kobe earthquake, the mark continues to rise.

Analysts said that, more than anything else, what gave investors confidence to buy marks was a belief that the Bundesbank, regardless of what

happened with wage negotiations or economic growth, would not let inflation get out of hand.

"It's called credibility," said Adrian Cunningham, senior currency economist for Union Bank of Switzerland in London. "Ultimately, the strength of the mark reflects the people's confidence in the Bundesbank's ability to maintain stable prices over the medium term."

The key to concerns in Europe is whether the rescue of the Mexican economy will hinder the Federal Reserve Board from focusing on domestic monetary policy and bringing down inflation. Investors in Germany have long shown a lack of confidence in the Fed's determination to stop inflation by raising interest rates and worry that the deficiency of the Mexican economy may prevent the Fed from raising interest rates again to stop domestic inflation.

[Recent strength in the U.S. stock and Treasury bond markets failed to revive support for the dollar, and analysts said the downward trend for the currency was likely to continue, Reuters reported from New York and London.

"We are seeing the dollar continue to sell off every opportunity it gets," a currency dealer said. "It's completely decoupled from the bond and stock market."

[Some dealers said they were wary of central bank intervention to support the dollar at current levels, but others noted that the Bank of Japan's repeated buying of dollars in Asian trading had failed to slow the currency's drop.]

## Did NBC Sell Out or Strike a Foxy Deal?

By Bill Carter  
New York Times Service

**NEW YORK**—Throughout NBC's challenge to the Fox network over ownership of its television stations, many NBC executives had described the action in the stark terms of right fighting wrong.

NBC was doing the right thing; Fox, whose growth had been spurred by numerous waivers and favorable rulings by the Federal Communications Commission,

had gotten away with enough; Rupert Murdoch, the chairman of Fox Broadcasting Inc., had become a force in American television using questionable ethics, and somebody of principle had to stand up to him.

But NBC has changed its tactics. On Friday, NBC said it was withdrawing its petitions against Fox at the FCC. The network essentially declared victory, saying the FCC had already promised to address the issues NBC had raised.

But the subsidiary of General Electric Co. announced at the same time a significant new business deal with Mr. Murdoch, giving two NBC cable channels access to STAR-TV, a satellite broadcasting service in Asia.

NBC executives declined to put a potential dollar figure on the deal, but they

agreed that with STAR's reach to about two-thirds of the world's population, NBC had greatly enhanced the asset value of the two channels, CNBC and Super Channel, and created a business likely to generate big long-term revenues.

Though no one questioned the soundness of NBC's business acumen, the move did leave some industry executives questioning NBC's ethics—and some NBC executives chomping on their righteous rhetoric.

Among the questions being asked is whether NBC will pay a heavy price in lost credibility and undermined integrity because of a perception that it did the exact thing so many NBC executives said other groups and individuals had done with Mr. Murdoch: cut a deal to enhance self-interest at the expense of principle.

Certainly some senior NBC executives, the ones who had been most aggressive in the campaign against Mr. Murdoch, were disappointed by the outcome last week. These executives had said repeatedly that Mr. Murdoch had a history of finding ways to advance his own interest by creating deals with those who could help or hurt him.

They cited the book deals Mr. Murdoch's companies had made with Newt Gingrich, the speaker of the U.S. House of Representatives, and Margaret Thatcher, the former prime minister of Britain. They questioned whether Mr. Murdoch had escaped so many tight regulatory spots unscathed because of his ability to strike advantageous deals.

The NBC executives had also pointed out that profits from the Fox broadcasting network were leaving the United States and going into Australia, where Mr. Murdoch's News Corp., which owns Fox, is based. The executives questioned whether the American public was really comfortable with the use of their airwaves going toward the profit of a foreign-based company.

Mr. Murdoch had heard these criticisms before, everywhere he has done business. But NBC was backing them up with action at the FCC that was being taken seriously and had the potential to do Mr. Murdoch serious financial damage.

Although NBC argued last week that its challenge remained intact because the FCC must still rule on all the issues the network had raised, some executives questioned whether NBC was letting the agency off the hook.

NBC's executives said they doubted the FCC would have been as assiduous in looking into the accusations against Fox if NBC had not pressed the issue.

If nothing else, NBC's decision to go into business with Mr. Murdoch has made its previous rhetoric ring hollow. Robert C. Wright, the president of NBC, said that the "challenges to Mr. Murdoch had become 'too personal' for some NBC executives."

Mr. Wright also strongly objected to any conclusion that NBC was sacrificing its credibility or integrity by withdrawing its challenge to Fox's ownership.

## CURRENCY & INTEREST RATES

Feb. 20										Eurocurrency Deposits										Feb. 21		
Cross Rates										Eurocurrency Deposits										Feb. 21		
	\$	£	DM	FF	Yen	Sfr	Scd	DKK	Other		Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	5 Cts				
Australia	1.62	2.52	1.22	1.32	1.32	1.32	1.32	1.32	1.32	1 month	4.0%	4.5%	3.5%	4.0%	5.5%	5.5%	2 1/2%	5 1/2%				
Canada	1.22	2.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	3 months	4.0%	4.5%	3.5%	4.0%	5.5%	5.5%	2 1/2%	5 1/2%				
France	1.22	2.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	6 months	4.0%	4.5%	3.5%	4.0%	5.5%	5.5%	2 1/2%	5 1/2%				
Germany	1.22	2.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	9 months	4.0%	4.5%	3.5%	4.0%	5.5%	5.5%	2 1/2%	5 1/2%				
Italy	1.22	2.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1 year	4.0%	4.5%	3.5%	4.0%	5.5%	5.5%	2 1/2%	5 1/2%				
Japan	1.22	2.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	Source: Reuters, Lloyd's Bank												
UK	1.22	2.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	Rates applicable to interbank deposits of \$1 million minimum (or equivalent).												
Other	1.22	2.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	Key Money Rates										Feb. 21		
	\$	£	DM	FF	Yen	Sfr	Scd	DKK	Other		United States	Close Prev.	Brisbane	London	Paris	Frankfurt	ECU	5 Cts				
Australia	1.62	2.52	1.22	1.32	1.32	1.32	1.32	1.32	1.32	Prime rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%				
Canada	1.22	2.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	Fixed rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%				
France	1.22	2.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	3-month CD	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%				
Germany	1.22	2.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	6-month CD	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%				
Italy	1.22	2.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	9-month CD	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%				
Japan	1.22	2.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1-year Treasury bill	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%				
UK	1.22	2.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1-year Treasury note	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%				
Other	1.22	2.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	2-year Treasury note	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%				
										3-year Treasury note	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%				
										4-year Treasury note	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%				
										5-year Treasury note	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%				
										10-year Treasury note	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%				
										10-year Treasury bond	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%				
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ASIA/PACIFIC

# Australia Warns Packer in Battle Over Fairfax Stake

**Compiled by Our Staff From Dispatches**  
**CANBERRA**—The government Monday warned the media executive Kerry Packer that he could face large fines and the loss of his television licenses if it were determined that he controlled the newspaper group John Fairfax Holdings Ltd.  
 Michael Lee, the communications minister, said Mr. Packer could be fined as much as 2 million Australian dollars (\$1.5 million) a day. "He puts his TV licenses at risk if he continues to be in breach of the act, if it is established that he is in breach," Mr. Lee said.  
 Under Australian law, the operator of a television license cannot own more than 15 percent of a daily newspaper in the same market unless it can be proved he does not have control. Mr. Packer last week raised his stake in John Fairfax Holdings to about 17 percent and said he would like to control the company.  
 The sticking point is Mr. Packer's control of Publishing & Broadcasting Ltd., which owns the television concern Nine Network Australia Ltd.  
 Stephen Mulholland, Fairfax's chief executive, said Australia's other media baron, Rupert Murdoch, would be the key player in the battle for control of the company. Mr. Murdoch's News Corp. owns about 5 percent of Fairfax, and Mr. Murdoch has said he wants to double that.  
 Conrad Black, who runs the media concerns Hollinger Inc. in Canada and Telegraph PLC in Britain, has a 25 percent stake in Fairfaxland also said one of Mr. Packer's managers, Brian Powers, had tried to get him fired. He called on the Australian Broadcasting Authority to examine that claim under the laws that ban Mr. Packer—as a television-station operator—from trying to influence the affairs of a newspaper company. (Reuters, AFP)

# Unicord Finds Buyer For Bumble Bee Tuna

**BANGKOK**—Unicord Co., one of the world's largest tuna canners, said Monday it had signed an agreement with a group of investors to sell its Bumble Bee brand for \$155 million.  
 The company said it was retaining Bumble Bee's three canning factories in Puerto Rico, California and Ecuador.  
 The agreement includes accounts receivable and inventory. Unicord will continue to make products for the Bumble Bee brand for 10 years.  
 "If they're getting \$155 million for just the name, it's an incredibly sweet deal for Unicord," a senior executive in the fisheries industry said. "I don't think the brand is worth anything other than that."  
 Unicord stock rose 30 cents to 7.40 baht (29.6 U.S. cents).  
 The largest partner among the buyers is Chemical Venture Partners, Unicord said. It did not identify the others. The sale is expected to be completed in April, Unicord said.  
 Unicord bought Bumble Bee Seafoods Inc. in 1988 for \$280 million. In a report to the Stock Exchange of Thailand, the company said it had made more than a 50 percent stake.  
 Unicord's bankers have been given some equity in Bumble Bee in exchange for overdue debt payments. Unicord's largest creditors are Heller Financial Inc., Bankers Trust New York Corp. and Bangkok Bank Ltd.  
 Price competition and declining demand for tuna have made Bumble Bee an unprofitable operation in recent years. Unicord has been trying to sell the brand for about four years.  
 Bumble Bee is the world's second largest-selling brand of tuna, behind Star-Kist, owned by H.J. Heinz Co., and ahead of Chicken of the Sea, owned by Stokely-Van Camp Inc.

# HSBC's 'Jewels' Need Polish

**Bloomberg Business News**  
**HONG KONG**—The crown jewels of HSBC Holdings PLC—its Hong Kong banks—are losing their luster.  
 The London-based parent of Hongkong & Shanghai Banking Corp., which earns about 60 percent of its profit in Hong Kong, is having to lean on its U.S. and British banks because of slumping property prices and rising interest rates in the territory.  
 "Hong Kong has become the dog within the group," said Herbert Flu, a banking analyst at the brokerage Barclays de Zoete Wedd.  
 HSBC, known simply as "The Bank" in the colony because of its stature within the financial community, may be out of the view when it unveils its 1994 earnings next Monday.  
 One of HSBC's other prime holdings, Marine Midland Bank, has repeatedly denied it would part with its Hong Kong businesses.  
 While Marine Midland announced a 32 percent rise in 1994 net earnings, profit at Hong Kong-based Hang Seng Bank, in which HSBC holds a 61.5 percent stake, may have slumped as much as 10 percent, analysts said. Hong Kong mortgage lending tumbled along with property prices last year, and bank executives have conceded that 1995 is off to a slow start.  
 "The first half of this year is going to be a bit slow for the Hong Kong economy and property market," said Paul Selway-Swift, an executive director at Hongkong & Shanghai Bank.  
 Growth in Hongkong Bank's mortgage portfolio, which ran at 30 percent in 1993, fell "significantly" last year, Mr. Selway-Swift said, adding that lending might not pick up until people were confident that property prices had bottomed out, after tumbling by as much as a third since March 1994.  
 HSBC's Hong Kong banks are not the only ones suffering, however.  
 As the U.S. Federal Reserve Board raised short-term interest rates last year, forcing Hong Kong banks to follow suit because the territory's currency is tied to the U.S. dollar, margins between interest income on loans and the cost of funds dwindled. Earnings at Bank of East Asia, Hong Kong's third-largest publicly traded bank, rose just 8.2 percent last year, a third less than analysts had expected.  
 "All the banks are being squeezed," said Janice Wallace, executive director of Asia research at Goldman, Sachs & Co.  
 1992 when it bought Midland Bank, has repeatedly denied it would part with its Hong Kong businesses.  
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# Malaysia To Reduce Need for Foreigners

**Agence France-Press**  
**KUALA LUMPUR**—The prime minister suggested Monday that industry phase out labor-intensive industries to reduce Malaysia's reliance on foreign workers.  
 Mahathir bin Mohamad said industries that are short of labor should recruit workers from among those who had entered the country illegally and were awaiting deportation, rather than conduct fresh recruitment overseas.  
 The presence of foreign labor is straining Malaysia's social infrastructure, particularly housing, medical and education facilities, Mr. Mahathir said.  
 "One million of them are already here," he said, "and if at the social development summit in Copenhagen next month, we have to answer to demands to bring their family as a matter of right, we will have their population ballooning to 3 million."  
 Mr. Mahathir is scheduled to leave on March 10 for the summit meeting.  
 Officials said the 1 million foreigners represented 13 percent of Malaysia's work force of 7.6 million people.  
 The use of foreign labor could not be regarded as a solution to the labor crunch, Mr. Mahathir said.  
 "I am appealing to investors not to invest in labor-intensive industries but to increase the number of labor-saving devices such as robots," he said, adding that companies should upgrade manufacturing methods and increase automation.

Investor's Asia				
Hong Kong Hang Seng		Singapore Straits Times		Tokyo Nikkei 225
10000	2400	2000	2000	2000
5000	2200	1800	1800	1800
0000	2000	1600	1600	1600
6000	1800	1400	1400	1400
1994	1994	1994	1994	1994
Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	7,908.74	8,043.01	-1.66
Singapore	Straits Times	2,118.78	2,157.13	-1.78
Sydney	All Ordinaries	1,852.30	1,856.20	-0.21
Tokyo	Nikkei 225	17,958.48	18,020.51	-0.35
Kuala Lumpur	Composite	966.50	965.24	+0.88
Bangkok	SET	1,296.99	1,304.27	-0.56
Sao Paulo	Composite Stock	929.23	908.44	+2.18
Taipei	Weighted Price	6,612.97	6,650.29	-0.56
Manila	PSE	2,589.86	2,609.76	-0.76
Jakarta	Stock Index	454.03	453.14	+0.20
New Zealand	NZSE-40	1,990.45	1,996.73	-0.31
Bombay	National Index	1,628.07	1,640.88	-0.76

## Very briefly:

- Coca-Cola Co. reduced its stake in its Australian unit, Coca-Cola Amatil Ltd., to 49.32 percent from 50.13 percent.
- Korea's central bank released about \$750 million to financial institutions to relieve a cash shortage, traders said.
- Japan Tobacco Inc. said it would post an extraordinary charge of 13.4 billion yen (\$137 million) for the year ending March 31, to cover a shortfall in the company's pension fund.
- Samsung Electronics Co. of South Korea started testing samples of its 32-megabit flash memory device, the key component of a high-capacity flash memory card.
- South Korea's central bank was given partial independence from political and government pressures, in a step toward South Korea's proposed entry into the Organization for Economic Cooperation and Development.
- Taiwan's stock exchange said eight directors of Pacific Electric Wire & Cable Co., Taiwan's largest wire and cable maker, were under investigation for alleged manipulation of last year's shareholders' meeting.

# U.S. Group's North Korea Tour Skips 'Trade Zone'

**By Steven Mufson**  
**Washington Post Service**  
**BEIJING**—A U.S. business delegation in North Korea trying to negotiate commercial deals with the isolated Communist nation.  
 Members of the group who visited Beijing over the weekend after four days in North Korea said they had been warmly received in Pyongyang and had discussed possible ventures in a free-trade zone near their border with Russia and China.  
 "We see opportunities and certainly a strong desire by these representatives of the North Korean government to establish a stronger business relationship with the United States," said Michael Weaver, who runs an investment firm in Charlotte, North Carolina, called Data Source Holdings.  
 But because of birthday celebrations for the North Korean leader Kim Jong Il, the delegation members said, they had not yet been allowed to tour the proposed free-trade zone. Instead, the group was shown pictures of the area.  
 In addition, although the delegation met with officials charged with attracting foreign investment, members said it was difficult to know the feelings of military or government officials who might oppose foreign investments or contacts.  
 The possibility of wider contact with Westerners, new investment by foreign companies and assistance in economic development were listed as reasons for Pyongyang to cooperate with the United States last year in guaranteeing that its nuclear energy program would not be used to create nuclear weapons.  
 The American group was led by Lee Zumwalt, a Washington lawyer and son of the retired Admiral Elmo R. Zumwalt, a former chairman of the U.S. Joint Chiefs of Staff.

# Akai Electric Says Loss Shrank in Latest Year

**TOKYO**—Akai Electric Co. said Monday that its pretax loss for the year ended Nov. 20 narrowed 30 percent from the previous year, to 3.3 billion yen (\$33.8 million), but forecast another loss in 1995.  
 Semi-Tech Global Co., a Hong-Kong based sewing machine maker, said last month it planned to acquire 55 percent of Akai for 17.5 billion yen.

# SHOUGANG: Company's Troubles Shake Market

**Continued from Page 13**  
 China's largest steelmaker has come despite close links to Deng Xiaoping and an executive role for his son, Deng Zhifang, in Shougang Congrand, one of five Shougang controlled companies whose shares were suspended from trading Monday in Hong Kong.  
 The sell-off, which spread to almost all China-related companies, included the stocks of companies in which the elderly Mr. Deng's daughters or sons-in-law hold executive positions or effectively control the companies.  
 Even the most firmly established Chinese companies in Hong Kong were hit Monday, including two constituents of the benchmark Hang Seng Index. Citic Pacific Ltd., which owns large chunks of the blue-chip Hong Kong Telecommunications and the local airline Cathay Pacific, fell 8.5 percent, while Guangdong Investments lost 5.4 percent.  
 "At the end of the day, these companies have real assets. They have been around for a while and know how to behave themselves," the China analyst said, referring to companies such as Citic Pacific, which ultimately reports to China's ruling State Council.  
 "The more recent arrivals, the back-door listings like Shougang, don't have much more than their connections to offer," the analyst said, predicting further losses for the five-company group and other stocks such as Poly Investments Holdings, China Aerospace and Oriental Metals, which are linked to the Deng family.  
 "In the short term, this has to be negative for China-related stocks," said Douglas Eu, a fund manager with Jardine Fleming Investment Management, alluding to the wide perception that China's business environment is highly politicized.  
 "But the fact that Beijing is willing to go after such high-level people for corruption could be seen as a good sign," Mr. Eu said. "People will welcome a clean-up. It might also show that the people now in charge in China have much more political strength than has been assumed."

# Suharto Seeks Land-Use Limits

**Agence France-Press**  
**JAKARTA**—President Suharto called Monday for limits on land ownership and efforts to curtail conversion of agricultural land to other uses.  
 Mr. Suharto said that under Indonesia's Constitution, land is the property of the state. He said it was to be used for the prosperity of the population and should not become an object for speculation.  
 Mr. Suharto also called on officials to prevent the conversion of irrigated land, especially rice fields, to nonagricultural purposes.  
 He said the country should strive to maintain the self-sufficiency in rice production it achieved in 1984 by safeguarding productive rice fields.

EUROPEAN FUTURES				
Metals				
	High	Low	Close	Change
ALUMINUM (1000 lbs)	100.00	99.50	99.75	+0.25
COPPER (1000 lbs)	100.00	99.50	99.75	+0.25
LEAD (1000 lbs)	100.00	99.50	99.75	+0.25
NICKEL (1000 lbs)	100.00	99.50	99.75	+0.25
ZINC (1000 lbs)	100.00	99.50	99.75	+0.25
Financial				
	High	Low	Close	Change
3-MONTH STR. (LIBOR)	100.00	99.50	99.75	+0.25
6-MONTH STR. (LIBOR)	100.00	99.50	99.75	+0.25
12-MONTH STR. (LIBOR)	100.00	99.50	99.75	+0.25
3-MONTH EURIBOR (LIBOR)	100.00	99.50	99.75	+0.25
6-MONTH EURIBOR (LIBOR)	100.00	99.50	99.75	+0.25
12-MONTH EURIBOR (LIBOR)	100.00	99.50	99.75	+0.25
Stock Indices				
	High	Low	Close	Change
FTSE 100 (LIFR)	100.00	99.50	99.75	+0.25
DAX (LIFR)	100.00	99.50	99.75	+0.25
CAC 40 (LIFR)	100.00	99.50	99.75	+0.25
Nikkei 225 (LIFR)	100.00	99.50	99.75	+0.25
Hang Seng (LIFR)	100.00	99.50	99.75	+0.25

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## SPORTS

# In Britain, Are Political Extremists Fueling the Soccer Violence?

By Richard W. Stevenson  
New York Times Service

LONDON — Soccer violence in Europe used to be largely a matter of drunken youths, inflamed team loyalties and spontaneous brawls, and it usually seemed to involve the English. But soccer associations, the police and researchers have been tracking a steady growth in disturbances at and around games across Europe. And although many incidents are still ignited by beer, boredom and being on the wrong end of the score, experts said there was a growing tendency for hooliganism to be premeditated and organized for political purposes by rightist extremists.

That appeared to be the case

Wednesday night in Dublin, when a game between the English and Irish national teams had to be stopped after a band of English fans making Nazi salutes ripped up seats and pelted other fans and players with pieces of wood, plastic and metal. Clashes broke out between some of the fans and the Irish riot police as security forces cleared the stadium after the referee's decision to halt the game after 27 minutes. More than 50 people were injured, and 40 people, most of them English, were arrested. In Dublin, two English fans were sentenced to two months in jail after they pleaded guilty to breaching the peace. They were the first cases to be heard since the disturbance.

The British police, who use under-

cover officers and informants to track the activities of rightist skinheads and neo-Nazis, said they had warned the Irish police that about 50 likely troublemakers were heading toward Dublin for the game. "Domestically, we seem to have the situation reasonably under control, and mass disorder is the exception rather than the rule," said Detective Inspector Peter Chapman, the head of Britain's National Football Intelligence Unit. "Sadly, this does not appear to be the case for the national team," he said. "We still have a hard core from around the country who will attach themselves to the national team every time they play. We have evidence that some of them are involved in the

British National Party, Combat 80 and extreme right-wing politics." Early in the game, small bands of English fans chanted anti-Irish slogans and sang "No surrender to the IRA," in an apparent attempt to provoke Irish fans at a time when Britain and Ireland are negotiating a peace deal in Northern Ireland. "We knew about the political implications and that some of the extreme right-wingers who have attached themselves to football are really anti-Irish," Chapman said. English fans are infamous throughout Europe for prompting unrest wherever they go. In 1985, a riot by Liverpool fans led to the deaths of 39 people at a game at Heysel stadium in Belgium. More

than 1,400 English fans were arrested in Rotterdam in October 1993 when they ran amok after a loss to the Netherlands in a World Cup qualifying match. But researchers said the problem was by no means solely an English phenomenon. Last month, a man was fatally stabbed in a fight between rival fans before a game in Genoa, Italy. In November, the Italian police arrested the leader of a far-right group after fights before a game in which two police officers were seriously injured. The Dutch and the German police have battled organized skinheads and neo-Nazis in a number of cases in the last few years.

"There was a view a few years back

that this was the British disease," said Ivan Waddington, the director of the Football Research Center, at the University of Leicester in Britain. "It isn't. It's something that one finds throughout Europe, and recently there has been serious soccer-related violence in Asia." Waddington said that the police had become more sophisticated in tracking the activities of rightist groups. They have also stepped up security at stadiums, installing video cameras in the stands to help identify offenders and keeping rival fans well separated. "There's been, for the past three years, a general assumption that hooliganism is substantially in decline," Waddington said. "That isn't

our view. Soccer violence has continued at higher levels, but increased efficiency of policing has pushed it out of the grounds and onto the surrounding streets where it often isn't recognized as football related." The incident last week prompted a spasm of self-examination and contrition by British soccer authorities and fans. Prime Minister John Major sent a letter to his Irish counterpart, John Bruton, apologizing for the "inexcusable and thuggish behavior" shown by the small band of English fans. "They were a disgrace and an embarrassment," Major wrote. "They are not the true face of Britain or of British sport."

## Lowly Timberwolves Demystify the Magic

The Associated Press

The National Basketball Association's second-worst team never really expected to beat one of the league's top two. "Did I see that coming? No," the Minnesota coach, Bill Blair, said Sunday after the Timber-

### NBA HIGHLIGHTS

wolves shocked the Orlando Magic, 100-95, in Minneapolis. "I don't have a theory. Sometimes we just play excellent basketball."

Orlando scored 10 of the first 12 points of the third quarter to take a 58-46 lead, but Minnesota rallied with a 25-6 run. Isaiah Rider, who scored 33 points, had the final 13 points of the rally, putting the Wolves ahead 71-64. "It was in our grasp, hot we let go," said Orlando's Anfernee Hardaway, who scored 19 points. "We did not play hard in the third quarter after we had the 12-point lead."

Orlando began the day at 39-11, tied for the NBA's best with the Phoenix Suns, who beat the Utah Jazz 110-107. The only team with a poorer record than Minnesota (13-38) is the Los Angeles Clippers, who are 9-42. Minnesota held Orlando to just 36 percent shooting.

Orlando, which got 33 points and 12 rebounds from Shaquille O'Neal, lost its fourth consecutive road game.

Orlando recovered with a 75-74 lead early in the fourth quar-

ter, but a 12-0 run that included seven points from Chris Smith put the Wolves back in control.

Suns 110, Jazz 107: In Phoenix, Charles Barkley scored 35 points, including a pair of free throws with 27 seconds left that put the Suns ahead 109-107. Phoenix trailed by seven with 24 minutes left.

Karl Malone of the Jazz missed a 3-point shot with 16 seconds to go. A. C. Green got the last of his 12 rebounds and was fouled, and made one free throw.

Knicks 122, Rockets 117: In New York, Patrick Ewing had 31 points and nine rebounds in the second rematch of last season's NBA Finals.

The Knicks, 2-0 against Houston this season, led by 13 in the first half and were ahead by 14 in the final quarter before the Rockets rallied on the 3-point shooting of Sam Cassell and Mario Elie.

Hakeem Olajuwon scored 27 points, Clyde Drexler had 22 points and 10 rebounds in his third game for Houston since being acquired from Portland, and Cassell scored 23.

Pacers 106, Heat 87: Reggie Miller and Dale Davis scored 16 points each for Indiana.

With the score 76-76 after three quarters, the Pacers held Miami to 11 fourth-quarter points to keep the Heat winless in 13 trips to Market Square Arena and drop Miami to 1-3 under Coach Alvin Gentry.



Nick Anderson of Orlando was down, and Minnesota's Isaiah Rider snatched the ball in the Wolves' 100-95 victory.

## Young America Catches Wind and Conner Boat

Compiled by Our Staff From Dispatches

SAN DIEGO — Denis Conner lost a gamble to find the elusive Santa Ana winds, leaving himself open for Kevin Mahaney's Young America crew to win by more than eight minutes and take the overall lead in the America's Cup defender series.

The victory Sunday moved Young America into the lead by four points over Conner's Stars & Stripes.

Dueling offshore and on-shore winds made for difficult sailing and unusually large winning margins on both the defender and challenger courses.

In challenger racing, Pedro Campos's Rioja de España took the lead in the third leg and built on it to beat Sydney 95 by a huge 11 minutes and 26 seconds for Spain's first victory in the 16 challenger races it has sailed so far.

In the process Spain went from zero to four points, three behind France 3, which it races on Monday.

Racing on the defender course began in 9-knot wind. Young America headed right with a 3-second lead over Stars & Stripes, which sailed to the left.

The Pact 95 boat crossed ahead of Stars & Stripes and took a 15-second lead into the downwind leg. By the end of the first lap, Mahaney was 29 seconds in front and on every other leg the boat from Bangor added to its lead.

The margin for Young America stretched, as Santa Ana winds and a sea breeze converged on the course. Young America finished 8 minutes, 35 seconds in front of Stars & Stripes.

On the challenger course, the wind was only 6 knots at the start when Rioja de España took an early lead over Sydney 95. The Australian boat was able to pass Spain before the first mark. But downwind Rioja de España caught up and moved ahead. The strange winds later in the day pushed Spain further ahead. The team won by 11 minutes, 26 seconds.

In other races Sunday, Oceania beat Nippon Challenge by 8 minutes, 40 seconds.

and Tag Heuer Challenge was too strong for France 3, winning by 6 minutes, 23 seconds.

France 3's loss to Tag Heuer Challenge leaves the French with a disappointing four defeats in round three.

When racing resumes Monday, Young America will face America 3. On the challenger course, one Australia is matched against Team New Zealand, Tag Heuer will race Sydney 95 and France 3 will meet Rioja de España. (AP, Reuters)

## Bail to Seek Amateur Status For '98 Games

The Associated Press

KIEV — Oksana Bail of Ukraine, the 1994 Olympic figure-skating champion, plans to return to the amateur ranks in time to qualify for the 1998 Winter Olympics in Nagano, Japan, the president of the Ukrainian Figure Skating Federation said Monday.

Bail, 17, turned professional soon after taking the gold medal in Lillehammer, Norway, last Feb. 25. But she will become an amateur again in time for the next season, which begins in September, said Ludmila Mykhailovska, the federation chief.

"She will hand in her application to the International Figure Skating Federation by the upcoming April deadline," she said. "She's still young so it's only natural that she should want to take part in the 1998 Olympics in Japan," Mykhailovska said.

In Lillehammer, Bail edged Nancy Kerrigan of the United States in one of the closest women's figure skating finals in recent memory. Bail now trains in the United States near Cambridge, Massachusetts, with her Ukrainian coach, Halyna Zmyievskaya.

## UVA Spares No. 2 Tar Heels Indignity of Losing Top Spot Again

The Associated Press

Thanks to Virginia, North Carolina won't have to run the risk of being knocked out of No. 1 for the third time this season.

After Villanova's thrashing of top-

### COLLEGE HIGHLIGHTS

ranked Connecticut, No. 2 North Carolina was poised to move atop the poll again. Losses to North Carolina State and Maryland had dethroned the Tar Heels previously, but Virginia made sure it wouldn't happen again by beating Carolina, 73-71, on Sunday.

North Carolina's third loss in 23 games hardly brought tears to the eyes of Coach Dean Smith, who could appreciate what he'd just seen. "An excellent game," Smith said. "We have another road game coming up, and I hope we play with the same intensity that we exhibited here."

That game, against Florida State on Saturday, had taken on added importance because that Carolina has been pulled back to the pack in the Atlantic Coast Conference race. The Heels and No. 16 Virginia are 10-3 in the league and No. 7 Maryland is a half-game back at 9-3.

"Nobody really thought we could contend in the ACC," said Harold Deane, whose 21 second-half points carried the Cavaliers. "Right now, we're in position. Yeah, this is only one step, but it sure is one big step. Now we have three games left in the regular season to make it happen."

North Carolina led 32-24 at halftime after holding Virginia to 29 percent shooting. Virginia shot 64 percent in the second half, with Deane hitting all eight of his attempts. He finished 11-of-13.

No. 5 Massachusetts 91, Louisville 76: Lou Roe scored 21 points and Marcus Camby added 16 as the Min-

utemen dominated height-starved Louisville in Worcester, Massachusetts. In his second game back since missing two weeks with a strained right hamstring, Camby looked as if the time off helped. He and Roe led an inside attack that produced 69 points in the paint and a 39-29 rebounding edge.

Louisville, losing its third straight, hasn't won since freshman center Samaki Walker was sidelined with a stress fracture in his right foot.

No. 6 UCLA 72, No. 12 Arizona 70: In Los Angeles, UCLA took a stranglehold on first place in the Pac-10 as

Ed O'Bannon scored a career-high 31 points.

The Bruins are two games ahead in the league after completing a sweep of the Wildcats.

No. 7 Maryland 74, Cincinnati 72: In San Antonio, Joe Smith made two free throws with 16 seconds remaining as Maryland reached 20 victories for the first time in 10 years.

Smith, who had 26 points and 14 rebounds, hit three of four foul shots in the final minute, making it 74-70, before LaZell Durdeau hit a jumper as Cincinnati expired for the Bearcats.

### DENNIS THE MENACE



"GIRLS REALLY DO MATURE FASTER THAN BOYS, DON'T THEY, MISS MARMALADE?"

### PEANUTS



"ASK YOUR DOG TO COME OUT AND PLAY. SORRY... HE'S BUSY. BUSY? GUARDING THE BEANBAG IS BUSY."

"THE LOCK NESS CAT SURFACES. HE SURVIVES HIS TERRITORY. AND SPIES A PIET ON THE HORIZON."

"I DID SOMETHING BAD TODAY, CHAPLAIN, AND I FEEL AWFUL ABOUT IT. YOU SNEAKED IN SARGE'S ROOM WHILE HE WAS ASLEEP, POURED SYRUP OVER HIM, AND SPRINKLED HIM WITH SAND. NO, I WAS PROUD OF THAT ONE!"

"I JUST REMEMBERED I GET MY MAIL AT THE PUBLIC LIBRARY. THEY WERE HANDING OUT ADDRESSES TO THE HOMELESS, SO I GAVE THEM ONE UP!"

"WHAT A GREAT IDEA! A PLACE WHERE NO ONE COULD FIND US! WE CAN FIND US! DIDN'T YOU GET A REALITY CHECK?"

"THAT'S OLD. WHAT'S YOUR ADDRESS?"

"LUNATIC @ STREET LEVEL."

"COBRA AND I HAD A BIG FIGHT LAST NIGHT... IT WAS ALL SO STUPID. IT ALL STARTED WITH ONE WORD... LET'S SEE WHAT WAS IT? SOMETHING ABOUT HER..."

"BECAME DREAMED THAT WAS THE WORD."

### CALVIN AND HOBBS



"I WONDER WHY PEOPLE ARE NEVER CONTENT WITH WHAT THEY HAVE. ARE YOU KIDDING? YOUR FINGERNAILS ARE A JOKE, YOU'VE GOT NO FINGERS, YOU CAN'T SEE AT NIGHT, YOUR PINK HUES ARE RIDICULOUS, YOUR REFLEXES ARE NAIL, AND YOU DON'T EVEN HAVE TAILS, OF COURSE PEOPLE AREN'T CONTENT!"

"FORGET I SAID ANYTHING. NOW IF THERE'S HERETIC CONTENT, THAT WOULD BE SOMETHING TO WONDER ABOUT."

"WE CAUGHT THIS MAN ON THE STREET SELLING 'HOT' GRANDFATHER CLOCKS! WHAT GAVE HIM AWAY?"

"THE EIGHT-FOOT RAIN COAT."

"I DID SOMETHING BAD TODAY, CHAPLAIN, AND I FEEL AWFUL ABOUT IT. YOU SNEAKED IN SARGE'S ROOM WHILE HE WAS ASLEEP, POURED SYRUP OVER HIM, AND SPRINKLED HIM WITH SAND. NO, I WAS PROUD OF THAT ONE!"

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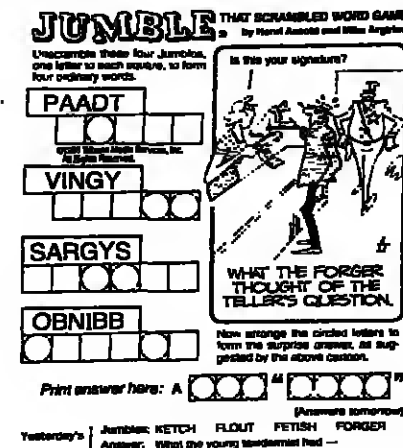
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Print answers here: A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

Answers: KETCH FLOUT PETER FORGER THE INDIAN STUFF

For investment information Read the MONEY REPORT every Saturday in the IHT

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